

SENATE BILL

No. 1017

Introduced by Committee on Budget and Fiscal Review

February 6, 2012

An act relating to the Budget Act of 2012 to amend the Budget Act of 2012 by amending Items 0250-001-0932, 0250-101-0932, 0820-011-8071, 0890-001-0001, 2660-001-0046, 3480-001-3046, 3960-001-0014, 4260-001-0001, 4260-001-0890, 4260-101-0001, 4260-101-0890, 4260-111-0001, 4260-111-0890, 4260-113-0001, 4260-113-0890, 4265-001-3085, 4280-001-0001, 4280-001-0890, 4280-101-0001, 4280-101-0890, 4280-101-3156, 4280-102-0001, 4280-102-0890, 4280-102-3156, 5180-101-0001, 5180-101-0890, 5180-111-0001, 5180-141-0001, 5180-141-0890, 5225-001-0001, 5225-002-0001, 6110-001-0890, 6110-005-0001, 6110-140-0001, 6110-140-0349, 6110-156-0890, 6110-161-0001, 6110-161-0890, 6110-194-0001, 6110-211-0001, 6110-295-0001, 6110-488, 6110-496, 6440-001-0001, 6610-001-0001, 6645-001-0001, 6870-101-0001, 7300-001-0001, 7980-101-0001, 7980-101-0784, 8955-001-0001, 9650-001-0001, 9800-001-0001, 9800-001-0494, and 9800-001-0988 of, by adding Items 0250-302-0668, 0820-001-8071, 0820-101-8071, 2660-104-6072, 2660-304-6055, 2660-304-6058, 2660-304-6064, 2660-304-6072, 2665-004-0890, and 2665-004-6043 to, and by repealing Items 0250-111-0556 and 6110-005-0890 of, Section 2.00 of, and by amending Sections 3.62, 3.90, 12.32, 12.42, 15.11, 35.50, and 99.50 of, and by adding Section 12.35 to, that act, relating to the state budget, and making an appropriation therefor, to take effect immediately, budget bill.

SB 1017, as amended, Committee on Budget and Fiscal Review.
Budget Act of 2012.

This bill would amend the Budget Act of 2012 by revising items of appropriation and making other changes in the Budget Act of 2012.

This bill would declare that it is to take effect immediately as a Budget Bill.

Vote: majority. Appropriation: ~~no~~yes. Fiscal committee: ~~no~~yes. State-mandated local program: no.

1 SECTION 1. Item 0250-001-0932 of Section 2.00 of the Budget
2 Act of 2012 is amended to read:

7	Schedule:	
8	(1) 30-Judicial Council.....	6,156,000
9	(2) 30.15-Trial Court Operations.....	29,134,000

98

1 *1, 2012, and January 1, 2013, any and all expenditures*
2 *or encumbrances of funds from the Trial Court Trust*
3 *Fund, including expenditures or encumbrances of*
4 *funds that are not pursuant to an appropriation con-*
5 *tained within this act and excluding Schedules (2), (3),*
6 *and (4) of Item 0250-101-0932 and direct allocations*
7 *to trial courts.*

8
9 *SEC. 2. Item 0250-101-0932 of Section 2.00 of the Budget Act*
10 *of 2012 is amended to read:*

11
12 0250-101-0932—For local assistance, Judicial Branch,
13 payable from the Trial Court Trust Fund..... 1,826,195,000
14 Schedule:
15 (1) 45.10-Support for Operation of the
16 Trial Courts..... 1,390,697,000
17 (2) 45.25-Compensation of Superior Court
18 Judges..... 306,829,000
19 (3) 45.35-Assigned Judges..... 26,047,000
20 (4) 45.45-Court Interpreters..... 92,794,000
21 (5) 45.55.060-Court Appointed Special
22 Advocate Program..... 2,213,000
23 (6) 45.55.065-Model Self-Help Program.... 957,000
24 (7) 45.55.090-Equal Access Fund..... 5,482,000
25 (8) 45.55.095-Family Law Information
26 Centers..... 345,000
27 (9) 45.55.100-Civil Case Coordination..... 832,000
28 (11) Reimbursements..... -1,000

29 Provisions:

- 30 1. The funds appropriated in Schedule (2) shall be made
31 available for costs of the workers' compensation pro-
32 gram for trial court judges.
33 2. The amount appropriated in Schedule (3) shall be made
34 available for all judicial assignments. Schedule (3)
35 expenditures for necessary support staff may not ex-
36 ceed the staffing level that is necessary to support the
37 equivalent of three judicial officers sitting on assign-
38 ments. Prior to utilizing funds appropriated in Schedule
39 (3), trial courts shall maximize the use of judicial offi-

1 cers who may be available due to reductions in court
2 services or court closures.

- 3 3. The funds appropriated in Schedule (4) shall be for
4 payments to contractual court interpreters, and certified
5 ~~and or~~ registered court interpreters employed by the
6 courts for services provided during court proceedings
7 and other services related to pending court proceed-
8 ings, including services provided outside a courtroom,
9 and the following court interpreter coordinators: 1.0
10 each in counties of the 1st through the 15th classes,
11 0.5 each in counties of the 16th through the 31st
12 classes, and 0.25 each in counties of the 32nd through
13 the 58th classes. For the purposes of this provision,
14 “court interpreter coordinators” may be full- or part-
15 time court employees, and shall be ~~concurrently~~ certi-
16 fied ~~and or~~ registered court interpreters in good
17 standing under existing law.

18 The Judicial Council shall set statewide or regional
19 rates and policies for payment of court interpreters,
20 not to exceed the rate paid to certified interpreters in
21 the federal court system.

22 The Judicial Council shall adopt appropriate rules
23 and procedures for the administration of these funds.
24 The Judicial Council shall report to the Legislature
25 and the Director of Finance annually regarding expen-
26 ditures from Schedule (4).

- 27 4. Upon order of the Director of Finance, the amount
28 available for expenditure in this item may be augment-
29 ed by the amount of any additional resources available
30 in the Trial Court Trust Fund, which is in addition to
31 the amount appropriated in this item. Any augmenta-
32 tion must be approved in joint determination with the
33 Chairperson of the Joint Legislative Budget Committee
34 and shall be authorized not sooner than 30 days after
35 notification in writing to the chairpersons of the com-
36 mittees in each house of the Legislature that consider
37 appropriations, the chairpersons of the committees and
38 appropriate subcommittees that consider the State
39 Budget, and the chairperson of the joint committee,
40 or not sooner than whatever lesser time the chairperson

of the joint committee, or his or her designee, may determine. When a request to augment this item is submitted to the Director of Finance, a copy of that request shall be delivered to the chairpersons of the committees and appropriate subcommittees that consider the State Budget. Delivery of a copy of that request shall not be deemed to be notification in writing for purposes of this provision.

5. Notwithstanding any other provision of law, upon approval and order of the Director of Finance, the amount appropriated in this item shall be reduced by the amount transferred in Item 0250-115-0932 to provide adequate resources to the Judicial Branch Workers' Compensation Fund to pay workers' compensation claims for judicial branch employees and judges, and administrative costs pursuant to Section 68114.10 of the Government Code.
6. Of the funds appropriated in Schedule (1), which will be transferred to the *State Trial Court Improvement and Modernization* Fund in accordance with subdivision (b) of Section 77209 of the Government Code, up to \$5,000,000 shall be available for support of services for self-represented litigants.
7. Upon approval by the Administrative Director of the Courts, the Controller shall transfer up to \$11,274,000 to Item 0250-001-0932 for recovery of costs for administrative services provided to the trial courts by the Administrative Office of the Courts.
8. In order to improve equal access and the fair administration of justice, the funds appropriated in Schedule (7) are available for distribution by the Judicial Council through the Legal Services Trust Fund Commission in support of the Equal Access Fund Program to qualified legal services projects and support centers as defined in Sections 6213 to 6215, inclusive, of the Business and Professions Code, to be used for legal services in civil matters for indigent persons. The Judicial Council shall approve awards made by the commission if the council determines that the awards comply with statutory and other relevant guidelines.

1 Upon approval by the Administrative Director of the
2 Courts, the Controller shall transfer up to 5 percent of
3 the funding appropriated in Schedule (2) to Item 0250-
4 001-0932 for administrative expenses. Ten percent of
5 the funds remaining after administrative costs shall be
6 for joint projects of courts and legal services programs
7 to make legal assistance available to pro per litigants
8 and 90 percent of the funds remaining after adminis-
9 trative costs shall be distributed consistent with Sec-
10 tions 6216 to 6223, inclusive, of the Business and
11 Professions Code. The Judicial Council may establish
12 additional reporting or quality control requirements
13 consistent with Sections 6213 to 6223, inclusive, of
14 the Business and Professions Code.

- 15 9. Funds available for expenditure in Schedule (7) may
16 be augmented by order of the Director of Finance by
17 the amount of any additional resources deposited for
18 distribution to the Equal Access Fund Program in ac-
19 cordance with Sections 68085.3 and 68085.4 of the
20 Government Code. Any augmentation under this pro-
21 vision shall be authorized not sooner than 30 days after
22 notification in writing to the chairpersons of the com-
23 mittees in each house of the Legislature that consider
24 appropriations, the chairpersons of the committees and
25 appropriate subcommittees that consider the State
26 Budget, and the Chairperson of the Joint Legislative
27 Budget Committee, or not sooner than whatever lesser
28 time the chairperson of the joint committee, or his or
29 her designee, may determine.

- 30 10. Sixteen (16.0) subordinate judicial officer positions
31 are authorized to be converted to judgeships in the
32 2012–13 fiscal year in the manner and pursuant to the
33 authority described in subparagraph (B) of paragraph
34 (1) of subdivision (c) of Section 69615 of the Govern-
35 ment Code, as described in the notice filed by the Ju-
36 dicial Council under subparagraph (B) of paragraph
37 (3) of subdivision (c) of Section 69615.

- 38 11. Notwithstanding any other provision of law, and upon
39 approval of the Director of Finance, the amount
40 available for expenditure in Schedule (1) may be in-

creased by the amount of any additional resources collected for the recovery of costs for court-appointed dependency counsel services.

12. Upon approval of the Administrative Director of the Courts, the Controller shall transfer up to \$556,000 to Item 0250-001-0932 for administrative services provided to the trial courts in support of the court-appointed dependency counsel program.

13. Upon approval of the Administrative Director of the Courts, the amount available for expenditure in this item may be augmented by the amount of resources collected to support the implementation and administration of the civil representation pilot program.

14. Upon approval of the Administrative Director of the Courts, the Controller shall transfer up to \$500,000 to Item 0250-001-0932 for administrative services provided by the Administrative Office of the Courts to implement and administer the Civil Representation Pilot Program.

15. Notwithstanding any other provision of law, during the 2012–13 fiscal year, the Judicial Council shall allocate \$385,000,000 of reductions in funding contained in Schedule (1) as follows: (a) no more than \$235,000,000 shall be allocated to each trial court based on each court’s proportionate share of total statewide trial court reserves, and (b) no more than \$150,000,000 shall be allocated based on each trial court’s proportionate share of the 2011–12 fiscal year Trial Court Trust Fund allocation. Upon approval of the Director of Finance and no sooner than 30 days after notification in writing to the committees of each house of the Legislature that consider the State Budget, the Judicial Council may offset either of these reductions through transfers from any other item within the Judicial Branch’s budget, *with the exception of funding scheduled for the Supreme Court, Courts of Appeal, and Habeas Corpus Resource Center.*

16. This item includes a one-time augmentation of ~~\$73,000,000~~ \$86,709,000 to offset the reductions in trial court funding in the 2012–13 fiscal year, based

on transfers as follows: (a) ~~\$23,000,000~~ \$27,223,000 transferred from the State Trial Court Improvement and Modernization Fund, and (b) ~~\$50,000,000~~ \$59,486,000 transferred from the State Court Facilities Construction Fund.

17. Of the amount appropriated in this item, \$46,000,000 of planned expenditures for the Court Case Management System project shall instead be redirected to offset reductions in trial court funding in the 2012–13 fiscal year.

SEC. 3. Item 0250-111-0556 of Section 2.00 of the Budget Act of 2012 is repealed.

~~0250-111-0556—For transfer by the Controller from the Judicial Administration Efficiency and Modernization Fund to the Trial Court Trust Fund..... (23,000,000)~~

SEC. 4. Item 0250-302-0668 is added to Section 2.00 of the Budget Act of 2012, to read:

0250-302-0668—For capital outlay, Judicial Branch, payable from the Public Buildings Construction Fund Subaccount..... 208,144,000

Schedule:

- (1) *91.43.001-Santa Clara County: New Family Justice Center—Construction..... 208,144,000*

Provisions:

- 1. Funds appropriated in this item shall not be expended until the Judicial Council has reconfirmed both the detailed cost and scope of the projects, as approved by the Department of Finance.*
- 2. The State Public Works Board may issue lease-revenue bonds, notes, or bond anticipation notes pursuant to Chapter 5 (commencing with Section 15830) of Part 10b of Division 3 of Title 2 of the Government Code to finance the design and construction of the project authorized by this item.*

3. *The Judicial Council and the State Public Works Board are authorized and directed to execute and deliver any and all leases, contracts, agreements, or other documents necessary or advisable to consummate the sale of bonds or otherwise effectuate the financing of the scheduled project.*
4. *The State Public Works Board shall not be deemed a lead or responsible agency for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) for any activities under the State Building Construction Act of 1955 (Part 10b (commencing with Section 15800) of Division 3 of Title 2 of the Government Code). This provision does not exempt the Judicial Council from the requirements of the California Environmental Quality Act. This provision is declaratory of existing law.*
5. *Notwithstanding any other provision of law, the funds appropriated in this item shall be available for encumbrance until June 30, 2016.*

SEC. 5. Item 0820-001-8071 is added to Section 2.00 of the Budget Act of 2012, to read:

0820-001-8071—For support of Department of Justice, payable from the National Mortgage Special Deposit Fund 8,000,000
Schedule:
(1) 20-Division of Legal Services..... 8,000,000

SEC. 6. Item 0820-011-8071 of Section 2.00 of the Budget Act of 2012 is amended to read:

0820-011-8071—For transfer by the Controller, upon order of the Director of Finance, from the National Mortgage Special Deposit Fund to the General Fund..... (100,000,000)
Provisions:

1. *The amount transferred in this item is a loan to the General Fund and shall be repaid upon the order of the Director of Finance by June 30, 2014, to be used*

to reimburse the General Fund for purposes consistent
with the National Mortgage Settlement.

*SEC. 7. Item 0820-101-8071 is added to Section 2.00 of the
Budget Act of 2012, to read:*

*0820-101-8071—For local assistance, Department of Justice,
payable from the National Mortgage Special Deposit
Fund..... 10,400,000*

*SEC. 8. Item 0890-001-0001 of Section 2.00 of the Budget Act
of 2012 is amended to read:*

0890-001-0001—For support of Secretary of State..... 31,764,000

Schedule:

(1) 10-Filings and Registrations.....	53,526,000
(2) 20-Elections.....	36,014,000
(3) 30-Archives.....	10,897,000
(4) 40-Department of Justice Legal Ser- vices.....	333,000
(5) 50.01-Administration and Technolo- gy.....	23,962,000
(6) 50.02-Distributed Administration and Technology.....	-23,962,000
(7) Reimbursements.....	-10,575,000
(8) Amount payable from the Secretary of State's Business Fees Fund (Item 0890- 001-0228).....	-40,231,000
(9) Amount payable from the Federal Trust Fund (Item 0890-001-0890).....	-16,602,000
(10) Amount payable from the Victims of Corporate Fraud Compensation Fund (Corporations Code 1502.5).....	-1,598,000

Provisions:

1. The Secretary of State may not expend any special handling fees authorized by Chapter 999 of the Statutes of 1999 which are collected in excess of the cost of administering those special handling fees unless specifically authorized by the Legislature.

2. Of the amounts appropriated in this item, ~~\$16,433,000~~
\$16,602,000 shall be used for operational costs associ-
ated with implementation of the Help America Vote
Act of 2002 (42 U.S.C. Sec. 15301 et seq.).
3. Of the funds appropriated in this item, \$5,733,000 is
available for preparing, printing, and mailing the state
ballot pamphlet pursuant to Article 7 (commencing
with Section 9080) of Chapter 1 of Division 9 of the
Elections Code. Any unexpended funds pursuant to
this provision shall revert to the General Fund.

*SEC. 9. Item 2660-001-0046 of Section 2.00 of the Budget Act
of 2012 is amended to read:*

2660-001-0046—For support of Department of Transportation, for payment to Item 2660-001-0042, payable from the Public Transportation Account, State Transportation Fund.....	159,262,000 <i>159,967,000</i>
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Provisions:

1. For Program 30—Mass Transportation, \$90,347,027
appropriated in this item is available for intercity rail
contracts.
2. Notwithstanding any other provision of law, funds
appropriated in this item from the Public Transporta-
tion Account may be reduced and replaced by an
equivalent amount of federal funds determined by the
Department of Transportation to be available and
necessary to comply with Section 8.50 and the most
effective management of state transportation resources.
Not more than 30 days after replacing the state funds
with federal funds, the Director of Finance shall notify
in writing the chairpersons of the committees in each
house of the Legislature that consider appropriations
and the Chairperson of the Joint Legislative Budget
Committee of this action.
3. Of the funds appropriated in this item, the Department
of Finance may transfer expenditure authority among
schedules to accommodate increases in Amtrak con-
tract costs related to fuel.

1
2 *SEC. 10. Item 2660-104-6072 is added to Section 2.00 of the*
3 *Budget Act of 2012, to read:*

4
5 2660-104-6072—For capital outlay, Department of Transportation,
6 non-State Transportation Improvement Program
7 (STIP), payable from the State Route 99 Account, Highway
8 Safety, Traffic Reduction, Air Quality, and Port Security
9 Fund of 2006..... 1,000

10 *Schedule:*

11 (1) 20.30-Highway Transportation—Local
12 Assistance..... 1,000

13 *Provisions:*

- 14 1. These funds shall be available for allocation by the
15 California Transportation Commission until June 30,
16 2014, and available for encumbrance and liquidation
17 until June 30, 2018.
18 2. Notwithstanding any other provision of law, funds
19 appropriated in this item may be transferred to Item
20 2660-304-6072. These transfers shall require the prior
21 approval of the Department of Finance.
22 3. The amount appropriated in this item may be reduced
23 to an amount that would ensure that expenditures do
24 not exceed the amount authorized for this program
25 under subdivision (b) of Section 8879.23 of the Gov-
26 ernment Code.

27
28 *SEC. 11. Item 2660-304-6055 is added to Section 2.00 of the*
29 *Budget Act of 2012, to read:*

30
31 2660-304-6055—For capital outlay, Department of Transportation,
32 non-State Transportation Improvement Program
33 (STIP), payable from the Corridor Mobility Improvement
34 Account, Highway Safety, Traffic Reduction, Air Quality,
35 and Port Security Fund of 2006..... 302,421,000

36 *Schedule:*

37 (1) 20.20-Highway Transportation..... 302,421,000

38 *Provisions:*

- 39 1. These funds shall be available for allocation by the
40 California Transportation Commission until December

31, 2012, and available for liquidation until June 30, 2018.

2. Notwithstanding any other provision of law, funds appropriated in this item may be transferred to Item 2660-104-6055. These transfers shall require the prior approval of the Department of Finance.
3. Notwithstanding any other provision of law, funds appropriated to Item 2660-004-6055 may be transferred to this item. These transfers shall require the prior approval of the Department of Finance.
4. The amount appropriated in this item may be adjusted up to an amount that would either (a) allow full utilization of the funds authorized for this program under paragraph (1) of subdivision (a) of Section 8879.23 of the Government Code or (b) ensure that expenditures do not exceed the amount authorized for this program under paragraph (1) of subdivision (a) of Section 8879.23 of the Government Code.

SEC. 12. *Item 2660-304-6058 is added to Section 2.00 of the Budget Act of 2012, to read:*

2660-304-6058—For capital outlay, Department of Transportation, State Transportation Improvement Program (STIP), payable from the Transportation Facilities Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006 26,586,000

Schedule:

(1) 20.20-Highway Transportation..... 26,586,000

Provisions:

1. These funds shall be available for allocation by the California Transportation Commission until June 30, 2014, and available for encumbrance and liquidation until June 30, 2018.
2. Notwithstanding any other provision of law, funds appropriated in this item may be transferred to Item 2660-104-6058. These transfers shall require the prior approval of the Department of Finance.
3. The amount appropriated in this item may be reduced to an amount that would ensure that expenditures do

not exceed the amount authorized for this program under subdivision (e) of Section 8879.23 of the Government Code.

SEC. 13. Item 2660-304-6064 is added to Section 2.00 of the Budget Act of 2012, to read:

2660-304-6064—For capital outlay, Department of Transportation, non-State Transportation Improvement Program (STIP), payable from the Highway Safety, Rehabilitation, and Preservation Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006..... 46,500,000

Schedule:

(1) 20.20-Highway Transportation..... 46,500,000

Provisions:

1. These funds shall be available for allocation by the California Transportation Commission until June 30, 2014, and available for encumbrance and liquidation until June 30, 2018.

2. Notwithstanding any other provision of law, funds appropriated in this item may be transferred to Item 2660-104-6064. These transfers shall require the prior approval of the Department of Finance.

3. The amount appropriated in this item may be reduced to an amount that would ensure that expenditures do not exceed the amount authorized for this program under paragraph (1) of subdivision (k) of Section 8879.23 of the Government Code.

SEC. 14. Item 2660-304-6072 is added to Section 2.00 of the Budget Act of 2012, to read:

2660-304-6072—For capital outlay, Department of Transportation, non-State Transportation Improvement Program (STIP), payable from the State Route 99 Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006..... 70,269,000

Schedule:

(1) 20.20-Highway Transportation..... 70,269,000

Provisions:

1. *These funds shall be available for allocation by the California Transportation Commission until June 30, 2014, and available for encumbrance and liquidation until June 30, 2018.*
2. *Notwithstanding any other provision of law, funds appropriated in this item may be transferred to Item 2660-104-6072. These transfers shall require the prior approval of the Department of Finance.*
3. *The amount appropriated in this item may be reduced to an amount that would ensure that expenditures do not exceed the amount authorized for this program under subdivision (b) of Section 8879.23 of the Government Code.*

SEC. 15. Item 2665-004-0890 is added to Section 2.00 of the Budget Act of 2012, to read:

2665-004-0890—*For support of High-Speed Rail Authority,*
payable from the Federal Trust Fund..... 660,000
Schedule:
(1) 10-Administration..... 660,000

SEC. 16. Item 2665-004-6043 is added to Section 2.00 of the Budget Act of 2012, to read:

2665-004-6043—*For support of High-Speed Rail Authority,*
payable from the High-Speed Passenger Train Bond
Fund..... 23,987,000
Schedule:
(1) 10-Administration..... 10,987,000
(2) 20-Program Management and Oversight
Contracts..... 5,000,000
(3) 30-Public Information and Communica-
tions Contracts..... 500,000
(4) 40-Fiscal and Other External Con-
tracts..... 7,500,000

Provisions:

1. *Of the funds provided in this item for contracts, the High-Speed Rail Authority shall ensure that all deliv-*

erables and services included in contracts between the authority and each of its contractors are completed to the level prescribed by the contract as a requirement for payment by the authority to the contractor. It is the intent of the Legislature that this section not prohibit the High-Speed Rail Authority from working with contractors in the management of these contracts.

2. Of the amount provided in Schedule (1), \$100,000 shall be made available to support the operation of the independent peer review group established pursuant to Section 185035 of the Public Utilities Code.
3. The Department of Finance may augment the amount appropriated in Schedule (4) by up to \$4,200,000 to reimburse the Department of Transportation for the review and approval of environmental and engineering documents regarding circumstances in which the high-speed train system interfaces with the state highway system, as well as specific highway realignment projects related to the high-speed train system.

SEC. 17. Item 3480-001-3046 of Section 2.00 of the Budget Act of 2012 is amended to read:

3480-001-3046—For support of Department of Conservation....	34,605,000
Schedule:	
(1) 10-Geologic Hazards and Mineral Resources Conservation.....	24,252,000
(2) 20-Oil, Gas, and Geothermal Resources.....	36,468,000
(3) 30-Land Resource Protection.....	5,620,000
(4) 40.01-Administration.....	11,677,000
(5) 40.02-Distributed Administration.....	-11,677,000
(6) 60-Office of Mine Reclamation.....	8,381,000
(7) Reimbursements.....	-8,575,000
(7.5) Amount payable from the General Fund (Item 3480-001-0001).....	-3,672,000
(8) Amount payable from the Surface Mining and Reclamation Account (Item 3480-001-0035).....	-2,254,000

1	(9) Amount payable from the State High-	
2	way Account, State Transportation Fund	
3	(Item 3480-001-0042).....	-12,000
4	(10) Amount payable from the Soil Conser-	
5	vation Fund (Item 3480-001-0141).....	-1,484,000
6	(11) Amount payable from the Hazardous	
7	and Idle-Deserted Well Abatement	
8	Fund (Section 3206 of the Public Re-	
9	sources Code).....	-106,000
10	(12) Amount payable from the Mine Recla-	
11	mation Account (Item 3480-001-	
12	0336).....	-4,333,000
13	(13) Amount payable from the Strong-Mo-	
14	tion Instrumentation and Seismic Haz-	
15	ards Mapping Fund (Item 3480-001-	
16	0338).....	-8,801,000
17	(13.5) Amount payable from the California	
18	Farmland Conservancy Program	
19	Fund (Item 3480-001-0867).....	-134,000
20	(14) Amount payable from the Federal Trust	
21	Fund (Item 3480-001-0890).....	-2,992,000
22	(15) Amount payable from the Bosco-Keene	
23	Renewable Resources Investment Fund	
24	(Item 3480-001-0940).....	-2,223,000
25	(16) Amount payable from the Abandoned	
26	Mine Reclamation and Minerals Fund	
27	Subaccount, Mine Reclamation Account	
28	(Item 3480-001-3025).....	-541,000
29	(17) Amount payable from the Acute Orphan	
30	Well Account, Oil, Gas, and Geother-	
31	mal Administrative Fund (Item 3480-	
32	001-3102).....	-805,000
33	(17.5) Amount payable from the Timber	
34	Regulation and Forest Restoration	
35	Fund (Item 3480-001-3212).....	-1,219,000
36	(18) Amount payable from the Agriculture	
37	and Open Space Mapping Subaccount	
38	(Item 3480-001-6004).....	-404,000

1	(19) Amount payable from the California	
2	Clean Water, Clean Air, Safe Neighbor-	
3	hood Parks, and Coastal Protection	
4	Fund (Item 3480-001-6029).....	-503,000
5	(20) Amount payable from the Water Secu-	
6	rity, Clean Drinking Water, Coastal and	
7	Beach Protection Fund of 2002 (Item	
8	3480-001-6031).....	-420,000
9	(21) Amount payable from the Safe Drinking	
10	Water, Water Quality and Supply,	
11	Flood Control, River and Coastal Pro-	
12	tection Fund of 2006 (Item 3480-001-	
13	6051).....	-1,638,000
14	Provisions:	
15	1. Notwithstanding any other provision of law, upon ap-	
16	proval and order of the Department of Finance, the	
17	Department of Conservation may borrow sufficient	
18	funds, from special funds that otherwise provide sup-	
19	port for the department, to meet cashflow needs due	
20	to delays in collecting reimbursements. Any loan made	
21	by the Department of Finance pursuant to this provi-	
22	sion may be made only if the Department of Conser-	
23	vation has a valid contract or certification signed by	
24	the client agency, which demonstrates that sufficient	
25	funds will be available to repay the loan. All moneys	
26	so transferred shall be repaid to the special fund as	
27	soon as possible, but not later than one year from the	
28	date of the loan.	
29	2. Of the amount appropriated in this item, a portion may	
30	be used for the collection and public dissemination of	
31	information related to hydraulic fracturing activities	
32	occurring in the state.	

34 *SEC. 18. Item 3960-001-0014 of Section 2.00 of the Budget*
 35 *Act of 2012 is amended to read:*

36		
37	3960-001-0014—For support of Department of Toxic Substances	
38	Control, payable from the Hazardous Waste Control Ac-	
39	count.....	49,085,000

1	Schedule:	
2	(1) 12-Site Mitigation and Brownfields	
3	Reuse.....	88,344,000
4		87,794,000
5	(2) 13-Hazardous Waste Management.....	62,219,000
6		62,223,000
7	(3) 19.01-Administration.....	32,990,000
8		32,252,000
9	(4) 19.02-Distributed Administration.....	-33,728,000
10		-32,252,000
11	(5) 20-Science, Pollution Prevention and	
12	Technology.....	15,947,000
13		15,755,000
14	(6) 21-State Certified Unified Program.....	2,386,000
15	(7) Reimbursements.....	-11,709,000
16	(7.5) Amount payable from the Childhood	
17	Lead Poisoning Prevention Fund (Item	
18	3960-001-0080).....	-45,000
19	(8) Amount payable from the General	
20	Fund (Item 3960-001-0001).....	-21,000,000
21	(9) Amount payable from the Unified Pro-	
22	gram Account (Item 3960-001-0028)....	-1,022,000
23	(10) Amount payable from the Illegal Drug	
24	Lab Cleanup Account (Item 3960-001-	
25	0065).....	-887,000
26	(11) Amount payable from the California	
27	Used Oil Recycling Fund (Item 3960-	
28	001-0100).....	-359,000
29	(11.5) Amount payable from the Department	
30	of Pesticide Regulation Fund (Item	
31	3960-001-0106).....	-39,000
32	(11.6) Amount payable from the Air Pollu-	
33	tion Control Fund (Item 3960-001-	
34	0115).....	-38,000
35	(12) Amount payable from the Toxic Sub-	
36	stances Control Account (Item 3960-	
37	001-0557).....	-47,147,000
38	(13) Amount payable from the Federal	
39	Trust Fund (Item 3960-001-0890).....	-32,284,000

1	(14) Amount payable from the Environmen-	
2	tal Quality Assessment Fund (Item	
3	3960-001-3035).....	-287,000
4	(15) Amount payable from the Electronic	
5	Waste and Recovery and Recycling	
6	Account (Item 3960-001-3065).....	-1,975,000
7	(16) Amount payable from the State Certi-	
8	fied Unified Program Agency Account	
9	(Item 3960-001-3084).....	-2,236,000
10	(17) Amount payable from the Birth Defects	
11	Monitoring Program Fund (Item 3960-	
12	001-3114).....	-45,000
13	Provisions:	
14	1. Notwithstanding any other provision of law, upon ap-	
15	proval and order of the Director of Finance, the Depart-	
16	ment of Toxic Substances Control may borrow suffi-	
17	cient funds from special funds that otherwise provide	
18	support for the department for cashflow purposes. Any	
19	such loans are to be repaid with interest at the rate	
20	earned by the Pooled Money Investment Account.	
21	2. Notwithstanding any other provision of law, upon re-	
22	quest of the Director of Toxic Substances Control, and	
23	approval by the Department of Finance, the Controller	
24	shall increase the appropriation in this item in an	
25	amount necessary to pay the State Board of Equaliza-	
26	tion any additional costs the board may incur to make	
27	refunds required by Chapter 737 of the Statutes of	
28	1998, provided that sufficient funds are available for	
29	such purposes and the board provides workload infor-	
30	mation that justifies the increase.	
31	3. No positions approved under this item or any other	
32	actions of the Department of Toxic Substances Control	
33	shall be used to investigate or work on a sale, lease,	
34	or other transfer of control of land at Santa Susana	
35	Field Laboratory until the Director of Toxic Substances	
36	Control certifies that the cleanups specified in the	
37	Administrative Orders on Consent signed on December	
38	6, 2010, for that portion of Santa Susana Field Labora-	
39	tory, have been completed and the requirements of	

Sections 25359.20 and 25359.21 of the Health and Safety Code are met.

SEC. 19. Item 4260-001-0001 of Section 2.00 of the Budget Act of 2012 is amended to read:

4260-001-0001—For support of Department of Health Care Services..... 151,427,000

Schedule:

(1) 20-Health Care Services..... 445,326,000

(2) 30.01-Administration..... 25,987,000

(3) 30.02-Distributed Administration..... -25,987,000

(4) Reimbursements..... -27,575,000

(5) Amount payable from the Breast Cancer Control Account (Item 4260-001-0009)..... -3,382,000

(6) Amount payable from the Childhood Lead Poisoning Prevention Fund (Item 4260-001-0080)..... -149,000

(7) Amount payable from the Unallocated Account, Cigarette and Tobacco Products Surtax Fund (Item 4260-001-0236)..... -641,000

(8) Amount payable from the Federal Trust Fund (Item 4260-001-0890)..... -252,699,000

(9) Amount payable from the Mental Health Services Fund (Item 4260-001-3085).... -9,453,000

Provisions:

1. Effective February 1, 2009, the State Department of Health Care Services shall report biennially in writing on the results of the additional positions established under the 2003 Medi-Cal Anti-Fraud Initiative to the chairpersons of the committees in each house of the Legislature that consider appropriations and the Chairperson of the Joint Legislative Budget Committee. The report shall include the results of the most recently completed biennial error rate study and random claim sampling process, the number of positions filled by division, and, for each of the components of the initiative, the amount of savings and cost avoidance

1 achieved and estimated, the number of providers
2 sanctioned, and the number of claims and beneficiary
3 records reviewed.

- 4 2. The State Department of Health Care Services shall
5 provide a quarterly accounting of expenditures associ-
6 ated with the 8.0 audit positions for the Targeted Case
7 Management Program identified in the Budget Act of
8 2010 (Ch. 712, Stats. 2010). The department shall
9 make the quarterly accounting of expenditures avail-
10 able to designated representatives of the local govern-
11 ment agencies not later than the last day of the third
12 quarter of the 2010–11 fiscal year, and on the last day
13 of each subsequent quarter thereafter.

- 14 3. (a) The State Department of Health Care Services
15 shall withhold 1 percent of reimbursements to
16 local educational agencies (LEAs) for the purpose
17 of funding the work and related administrative
18 costs associated with the audit resources approved
19 in the Budget Act of 2010 (Ch. 712, Stats. 2010)
20 to ensure fiscal accountability of the LEA Medi-
21 Cal Billing Option Program and to comply with
22 the California Medi-Cal State Plan. The withhold
23 percentage shall be applied to funds paid to LEAs
24 for health services based upon the date of pay-
25 ment, and excluding cost settlement payments.
26 Moneys collected as a result of the reduction in
27 federal Medicaid payments allocable to LEAs
28 shall be deposited into a special deposit fund ac-
29 count, which shall be established by the depart-
30 ment. The department shall return all unexpended
31 funds in the special deposit fund account propor-
32 tionately to all LEAs that contributed to the ac-
33 count, during the second quarter of the subsequent
34 fiscal year. The annual amount withheld shall not
35 exceed \$650,000, but may be adjusted with ap-
36 proval of the LEA Medi-Cal billing entities.

- 37 (b) The department shall provide a quarterly account-
38 ing of expenditures made from the special deposit
39 fund account. The department shall make the
40 quarterly accounting of expenditures available to

the public not later than the last day of the third quarter of the 2010–11 fiscal year, and on the last day of each subsequent quarter thereafter.

4. The Department of Finance may authorize the transfer of expenditure authority from Item 4280-001-0001 to ~~transition children who are living at or below 133 percent of the federal poverty level from~~ *consolidate state administrative functions for the Healthy Families Program to the Medi-Cal program and to transfer those functions to the State Department of Health Care Services*. Any transfer shall be consistent with the transition plan provided to the Legislature as required in Provision 4 of Item 4280-001-0001.

The Director of Finance shall provide notification in writing to the Joint Legislative Budget Committee of any transfer approved under this provision not less than 30 days prior to the effective date of the approval. This 30-day notification shall include (a) a description of the transfer of the ~~resources~~ *programs*, including the reasons for the transfer, (b) the number and classifications of positions to be transferred, (c) the assumptions used in calculating the amount of expenditure authority transferred, and (d) any potential fiscal effects on the program from which resources are being transferred.

5. Of the funds appropriated in this item, \$224,000 shall be used to support the system changes necessary to implement federal health care reform. ~~Notwithstanding Provision 2 of this item, these~~ *These* funds are not authorized for expenditure until approved by the Director of Finance. The Director of Finance shall provide notification in writing to the Joint Legislative Budget Committee of any expenditure approved under this provision not less than 30 days prior to the effective date of the approval. This 30-day notification shall include a plan for the system changes necessary to implement the requirements of the federal Patient Protection and Affordable Care Act (P.L. 111-148).

SEC. 20. Item 4260-001-0890 of Section 2.00 of the Budget Act of 2012 is amended to read:

4260-001-0890—For support of Department of Health Care Services, for payment to Item 4260-001-0001, payable from the Federal Trust Fund..... 252,699,000

Provisions:

1. The Department of Finance may authorize the transfer of expenditure authority from Item 4280-001-0890 to ~~transition children who are living at or below 133 percent of the federal poverty level from consolidate state administrative functions for the Healthy Families Program to the Medi-Cal program and to transition those functions to the State Department of Health Care Services.~~ Any transfer shall be consistent with the transition plan provided to the Legislature as required in Provision 4 of Item 4280-001-0001.

The Director of Finance shall provide notification in writing to the Joint Legislative Budget Committee of any transfer of expenditure authority approved under this provision not less than 30 days prior to the effective date of the approval. This notification shall include (a) a description of the transfer of the ~~resources programs~~, including the reasons for the transfer, (b) the number and classifications of positions to be transferred, (c) the assumptions used in calculating the amount of expenditure authority transferred, and (d) any potential fiscal effects on the program from which resources are being transferred.

SEC. 21. Item 4260-101-0001 of Section 2.00 of the Budget Act of 2012 is amended to read:

4260-101-0001—For local assistance, Department of Health Care Services, California Medical Assistance Program, payable from the Health Care Deposit Fund after transfer from the General Fund..... ~~14,039,933,000~~
14,029,933,000

Schedule:

(1) 20.10.010-Eligibility (County Administration).....	3,090,019,000
	3,089,935,000
(2) 20.10.020-Fiscal Intermediary Management.....	304,953,000
(3) 20.10.030-Benefits (Medical Care and Services).....	46,345,102,000
	46,323,880,000
(4) Reimbursements.....	-1,862,336,000
	-1,861,030,000
(5) Amount payable from the Childhood Lead Poisoning Prevention Fund (Item 4260-101-0080).....	-746,000
(6) Amount payable from the Hospital Services Account, Cigarette and Tobacco Products Surtax Fund (Item 4260-101-0232).....	-58,946,000
(7) Amount payable from the Physician Services Account, Cigarette and Tobacco Products Surtax Fund (Item 4260-101-0233).....	-105,000
(8) Amount payable from the Unallocated Account, Cigarette and Tobacco Products Surtax Fund (Item 4260-101-0236).....	-24,589,000
(9) Amount payable from the Federal Trust Fund (Item 4260-101-0890).....	-33,738,147,000
	-33,728,147,000
(10) Amount payable from the Emergency Medical Air Transportation Act Fund (Item 4260-101-3168).....	-15,272,000

Provisions:

1. The aggregate principal amount of disproportionate share hospital general obligation debt that may be issued in the current fiscal year pursuant to subparagraph (A) of paragraph (2) of subdivision (f) of Section 14085.5 of the Welfare and Institutions Code shall be \$0.

- 1 2. Notwithstanding any other provision of law, both the
2 federal and nonfederal shares of any moneys recovered
3 for previously paid health care services, provided
4 pursuant to Chapter 7 (commencing with Section
5 14000) of Part 3 of Division 9 of the Welfare and In-
6 stitutions Code, are hereby appropriated and shall be
7 expended as soon as practicable for medical care and
8 services as defined in the Welfare and Institutions
9 Code.
- 10 3. Notwithstanding any other provision of law, accounts
11 receivable for recoveries as described in Provision 2
12 shall have no effect upon the positive balance of the
13 General Fund or the Health Care Deposit Fund.
14 Notwithstanding any other provision of law, moneys
15 recovered as described in this item that are required
16 to be transferred from the Health Care Deposit Fund
17 to the General Fund shall be credited by the Controller
18 to the General Fund without regard to the appropriation
19 from which it was drawn.
- 20 4. Without regard to fiscal year, the General Fund shall
21 make one or more loans available not to exceed a cu-
22 mulative total of \$45,000,000 to be transferred as
23 needed to the Health Care Deposit Fund to meet cash
24 needs. The loans are subject to the repayment provi-
25 sions of Section 16351 of the Government Code. Any
26 additional loan requirement in excess of \$45,000,000
27 shall be processed in the manner prescribed by Section
28 16351 of the Government Code.
- 29 5. Notwithstanding any other provision of law, the State
30 Department of Health Care Services may give public
31 notice relative to proposing or amending any rule or
32 regulation that could result in increased costs in the
33 Medi-Cal program only after approval by the Depart-
34 ment of Finance. Additionally, any rule or regulation
35 adopted by the State Department of Health Care Ser-
36 vices and any communication that increases costs in
37 the Medi-Cal program shall be effective only after the
38 date upon which it is approved by the Department of
39 Finance.

- 1 6. Of the funds appropriated in this item, up to \$50,000
2 may be allocated for attorney's fees awarded pursuant
3 to state or federal law without prior notification to the
4 Legislature. Individual settlements authorized under
5 this provision shall not exceed \$5,000. The semiannual
6 estimates of Medi-Cal expenditures due to the Legis-
7 lature in January and May shall reflect attorney's fees
8 paid 15 or more days prior to the transmittal of the
9 estimate. The semiannual estimates of Medi-Cal ex-
10 penditures provided to the Legislature in January and
11 May may constitute the notification required by this
12 provision.
- 13 7. Change orders to the medical or the dental fiscal inter-
14 mediary contract for amounts exceeding a total cost
15 of \$250,000 shall be approved by the Department of
16 Finance not sooner than 30 days after written notifica-
17 tion of the change order is provided to the chairpersons
18 of the fiscal and policy committees in each house of
19 the Legislature and to the Chairperson of the Joint
20 Legislative Budget Committee, or not sooner than
21 whatever lesser time after that notification as the
22 chairperson of the joint committee, or his or her de-
23 signee, may determine. The semiannual estimates of
24 Medi-Cal expenditures provided to the Legislature in
25 January and May may constitute the notification re-
26 quired by this provision.
- 27 8. Recoveries of advances made to counties in prior years
28 pursuant to Section 14153 of the Welfare and Institu-
29 tions Code are reappropriated to the Health Care De-
30 posit Fund for reimbursement of those counties where
31 allowable costs exceeded the amounts advanced. Re-
32 coveries in excess of the amounts required to fully re-
33 imburse allowable costs shall be transferred to the
34 General Fund. When a projected deficiency exists in
35 the Medical Assistance Program, these funds, subject
36 to notification to the Chairperson of the Joint Legisla-
37 tive Budget Committee, are appropriated and shall be
38 expended as soon as practicable for the state's share
39 of payments for medical care and services, county
40 administration, and fiscal intermediary services.

- 1 9. The Department of Finance may transfer funds repre-
2 senting all or any portion of any estimated savings that
3 are a result of improvements in the Medi-Cal claims
4 processing procedures from the Medi-Cal services
5 budget or the support budget of the State Department
6 of Health Care Services (Item 4260-001-0001) to the
7 fiscal intermediary budget item for purposes of making
8 improvements to the Medi-Cal claims system.
- 9 10. Notwithstanding any other provision of law, the De-
10 partment of Finance may authorize the transfer of ex-
11 penditure authority between Schedules (1), (2), (3),
12 and (4) of this item and between this item and Items
13 4260-102-0001, 4260-111-0001, 4260-113-0001, and
14 4260-117-0001 in order to effectively administer the
15 programs funded in these items. The Department of
16 Finance shall notify the Legislature within 10 days of
17 authorizing such a transfer unless prior notification of
18 the transfer has been included in the Medi-Cal esti-
19 mates submitted pursuant to Section 14100.5 of the
20 Welfare and Institutions Code. The 10-day notification
21 to the Legislature shall include the reasons for the
22 transfer, the fiscal assumptions used in calculating the
23 transfer amount, and any potential fiscal effects on the
24 program from which funds are being transferred or for
25 which funds are being reduced.
- 26 11. If a federal grant that provides 75 percent federal finan-
27 cial participation to allow individuals in nursing homes
28 to voluntarily move into a community setting and still
29 receive the same amount of funding for services is
30 awarded to the State Department of Health Care Ser-
31 vices during the current fiscal year, then, notwithstand-
32 ing any other provision of law, the department may
33 count expenditures from the appropriation made to
34 this item as state matching funds for that grant.
- 35 12. The Department of Finance may authorize the transfer
36 of expenditure authority from Item 4280-101-0001 or
37 4280-102-0001, or both of those items, ~~to the State~~
38 ~~Department of Health Care Services~~, as it pertains to
39 the transition of ~~children who are living at or below~~
40 ~~133 percent of the federal poverty line from the~~

Healthy Families Program to ~~Medi-Cal~~ the State Department of Health Care Services. Any transfer shall be consistent with a transition plan, or components of the transition plan, as provided to the Legislature as required in state statute regarding these ~~resource~~ program transfers.

The Director of Finance shall provide notification in writing to the Joint Legislative Budget Committee of any transfer of expenditure authority approved under this provision not less than 30 days prior to the effective date of the approval. This 30-day notification shall include (a) a comprehensive description of the ~~resource~~ program transfer, including the number of children affected and plans affected, and (b) all assumptions used in calculating the amount of expenditure authority transferred.

13. Notwithstanding any other provision of law, the Director of Finance may authorize an increase to this appropriation to address costs resulting from adverse court rulings. The Department of Finance shall provide a 30-day notice of any proposed increase to the Legislature. The notification shall include the specifics of any cases with adverse rulings and the overall fiscal impact. Submission of the semiannual Medi-Cal estimate provided to the Legislature in January and May shall be considered meeting the notification requirement of this provision if the required information is included in the estimate.

14. Of the funds appropriated in this item, up to \$1,206,000 shall be used to support the system changes necessary to implement federal health care reform. The Director of Finance may approve current year increases in this item for additional expenditures necessary for implementation of the California Healthcare Eligibility, Enrollment and Retention System project. The Director of Finance shall provide notification in writing to the Joint Legislative Budget Committee of any increased expenditure approved under this provision not less than 30 days prior to the effective date of the approval. This 30-day notification shall include

a plan for the system changes necessary to implement the requirements of the federal Patient Protection and Affordable Care Act (P.L. 111-148).

SEC. 22. Item 4260-101-0890 of Section 2.00 of the Budget Act of 2012 is amended to read:

4260-101-0890—For local assistance, Department of Health Care Services, for payment to Item 4260-101-0001, payable from the Federal Trust Fund.....	33,738,147,000
	33,728,147,000

Provisions:

1. Any of the provisions in Item 4260-101-0001 that are relevant to this item also apply to this item.
2. The Department of Finance may authorize the transfer of expenditure authority from Item 4280-101-0890 or 4280-102-0890, or both of those items, ~~to the State Department of Health Care Services~~, as it pertains to the transition of ~~children who are living at or below 133 percent of the federal poverty line from the Healthy Families Program to Medi-Cal~~ *the State Department of Health Care Services*. Any transfer shall be consistent with a transition plan, or components of a transition plan, as provided to the Legislature as required in state statute regarding these ~~resource program~~ transfers.

The Director of Finance shall provide notification in writing to the Joint Legislative Budget Committee of any transfer of expenditure authority approved under this provision not less than 30 days prior to the effective date of the approval. This 30-day notification shall include (a) a comprehensive description of the ~~resource program~~ transfer, including the number of children affected and plans affected, and (b) all assumptions used in calculating the amount of expenditure authority transferred.

SEC. 23. Item 4260-111-0001 of Section 2.00 of the Budget Act of 2012 is amended to read:

1	4260-111-0001—For local assistance, Department of Health	
2	Care Services.....	162,165,000
3		<i>176,224,000</i>
4	Schedule:	
5	(1) 20.25-Children’s Medical Services.....	358,058,000
6		<i>380,745,000</i>
7	(2) 20.35-Primary and Rural Health.....	1,054,000
8	(3) 20.45-Other Care Services.....	111,507,000
9	(4) Reimbursements.....	–53,260,000
10		<i>–55,672,000</i>
11	(5) Amount payable from the Breast Cancer	
12	Control Account (Item 4260-111-	
13	0009).....	–7,912,000
14	(6) Amount payable from the Childhood	
15	Lead Poisoning Prevention Fund (Item	
16	4260-111-0080).....	–22,000
17	(7) Amount payable from the Unallocated	
18	Account, Cigarette and Tobacco Prod-	
19	ucts Surtax Fund (Item 4260-111-	
20	0236).....	–22,081,000
21	(8) Amount payable from the Federal	
22	Trust Fund (Item 4260-111-0890).....	–225,179,000
23		<i>–231,395,000</i>
24	Provisions:	
25	1. Program 20.25-Children’s Medical Services: Counties	
26	may retain 50 percent of total enrollment and assess-	
27	ment fees that are collected by the counties for the	
28	California Children’s Services Program. Fifty percent	
29	of the enrollment and assessment fee for each county	
30	shall be offset from the state’s match for that county.	
31	2. Notwithstanding any other provision of law, the De-	
32	partment of Finance may authorize transfer of expen-	
33	diture authority between this item and Items 4260-101-	
34	0001, 4260-102-0001, 4260-113-0001, and 4260-117-	
35	0001 in order to effectively administer the programs	
36	funded in these items. The Department of Finance	
37	shall notify the Legislature within 10 days of authoriz-	
38	ing such transfer unless prior notification of the	
39	transfer has been included in the Medi-Cal estimates	
40	submitted pursuant to Section 14100.5 of the Welfare	

1 and Institutions Code. The 10-day notification to the
2 Legislature shall include the reasons for the transfer,
3 the fiscal assumptions used in calculating the transfer
4 amount, and any potential fiscal effects on the program
5 from which funds are being transferred or reduced.

- 6 3. The State Department of Health Care Services shall
7 convene a diverse workgroup, that, at a minimum,
8 represents families enrolled in the California Chil-
9 dren's Services (CCS) Program, counties, specialty
10 care providers, children's hospitals, and medical sup-
11 pliers to discuss the administrative structure of the
12 CCS Program, including eligibility determination
13 processes, the use and content of needs assessment
14 tools in case management, and the processes used for
15 treatment authorizations. The purpose of this work-
16 group will be to identify methods for streamlining,
17 identifying administrative cost efficiencies, and devel-
18 oping better utilization of both state and county staff,
19 as applicable, in meeting the needs of children and
20 families accessing the CCS Program. The department
21 may provide the appropriate policy and fiscal commit-
22 tees of the Legislature with periodic updates of out-
23 comes as appropriate.

- 24 4. ~~The Department of Finance may increase or decrease~~
25 ~~this item based on an updated savings estimate result-~~
26 ~~ing from amendments made to subdivision (b) of~~
27 ~~Section 123870 of the Health and Safety Code by~~
28 ~~legislation that is enacted in 2012 that prohibits the~~
29 ~~California Children's Services (CCS) Program from~~
30 ~~covering the cost of occupational physical therapy~~
31 ~~services for certain pupils. Any adjustment to this item~~
32 ~~may not occur less than 30 days after notification in~~
33 ~~writing to the Joint Legislative Budget Committee, or~~
34 ~~such lesser time after that notification as the chairper-~~
35 ~~son of the joint committee, or his or her designee, may~~
36 ~~determine.~~

37
38 *SEC. 24. Item 4260-111-0890 of Section 2.00 of the Budget*
39 *Act of 2012 is amended to read:*

4260-111-0890—For local assistance, Department of Health
Care Services, for payment to Item 4260-111-0001,
payable from the Federal Trust Fund..... ~~225,179,000~~
~~231,395,000~~

Provisions:

1. Any of the provisions in Item 4260-111-0001 that are relevant to this item also apply to this item.

SEC. 25. Item 4260-113-0001 of Section 2.00 of the Budget Act of 2012 is amended to read:

4260-113-0001—For local assistance, Department of Health
Care Services, for the Healthy Families Program (Medi-
Cal)..... ~~247,740,000~~
~~230,012,000~~

Schedule:

- (1) 20.10.010-Eligibility (County Administration)..... ~~45,148,000~~
~~52,811,000~~
- (2) 20.10.020-Fiscal Intermediary Management..... 1,028,000
- (3) 20.10.030-Benefits (Medical Care and Services)..... ~~721,464,000~~
~~659,792,000~~
- (4) Amount payable from the Federal Trust Fund (Item 4260-113-0890)..... ~~=519,900,000~~
~~-483,619,000~~

Provisions:

1. Notwithstanding any other provision of law, the Department of Finance may authorize transfer of expenditure authority between Schedules (1), (2), and (3) of this item and between this item and Items 4260-101-0001, 4260-102-0001, 4260-111-0001, and 4260-117-0001 in order to effectively administer the programs funded in these items. The Department of Finance shall notify the Legislature within 10 days of authorizing such transfer unless prior notification of the transfer has been included in the Medi-Cal estimates submitted pursuant to Section 14100.5 of the Welfare and Institutions Code. The 10-day notification to the

Legislature shall include the reasons for the transfer of expenditure authority, the fiscal assumptions used in calculating the amount of expenditure authority transferred, and any potential effects on the program from which funds are being transferred or reduced.

2. The Department of Finance may authorize the transfer of expenditure authority from Item 4280-101-0001 or 4280-102-0001, or both of those items, ~~to the State Department of Health Care Services~~, as it pertains to the transition of ~~children who are living at or below 133 percent of the federal poverty line from the Healthy Families Program to Medi-Cal~~ *the State Department of Health Care Services*. Any transfer shall be consistent with a transition plan, or components of a transition plan, as provided to the Legislature as required in state statute regarding these ~~resource program~~ transfers.

The Director of Finance shall provide notification in writing to the Joint Legislative Budget Committee of any transfer approved under this provision not less than 30 days prior to the effective date of the transfer. This 30-day notification shall include (a) a comprehensive description of the ~~resource program~~ transfer, including the number of children affected and plans affected, and (b) all assumptions used in calculating the amount of expenditure authority transferred.

SEC. 26. Item 4260-113-0890 of Section 2.00 of the Budget Act of 2012 is amended to read:

4260-113-0890—For local assistance, Department of Health Care Services, for payment to Item 4260-113-0001, payable from the Federal Trust Fund.....	519,900,000
	483,619,000

Provisions:

1. Any of the provisions in Item 4260-113-0001 that are relevant to this item also apply to this item.
2. The Department of Finance may authorize the transfer of expenditure authority from Item 4280-101-0890 or 4280-102-0890, or both of those items, ~~to the State~~

~~Department of Health Care Services~~, as it pertains to the transition of ~~children who are living at or below 133 percent of the federal poverty line from the Healthy Families Program to Medi-Cal~~ *the State Department of Health Care Services*. Any transfer shall be consistent with a transition plan, or components of a transition plan, as provided to the Legislature as required in state statute regarding these ~~resource program~~ transfers.

The Director of Finance shall provide notification in writing to the Joint Legislative Budget Committee of any transfer approved under this provision not less than 30 days prior to the effective date of the approval. This 30-day notification shall include (a) a comprehensive description of the ~~resource program~~ transfer, including the number of children affected and plans affected, and (b) all assumptions used in calculating the amount of expenditure authority transferred.

SEC. 27. Item 4265-001-3085 of Section 2.00 of the Budget Act of 2012 is amended to read:

4265-001-3085—For support of Department of Public Health, for payment to Item 4265-001-0001, payable from the Mental Health Services Fund.....	17,349,000
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Provisions:

1. *It is the intent of the Legislature that a total of \$60,000,000 for the California Reducing Disparities Project, which seeks to improve timely access to mental health services for unserved and underserved populations in California by bringing forward community-defined solutions and recommendations developed by diverse workgroups comprised of community representatives, shall be available over the course of four fiscal years beginning with the 2012–2013 fiscal year. Contracts with entities representing focused populations to develop strategic planning workgroups are presently in effect to identify population-focused, culturally competent recommendations for reducing disparities in mental health services and to improve out-*

comes by identifying community-defined, strength-based solutions and strategies to eliminate barriers in the mental health service system. Results from these strategic planning workgroups are to be used to effectuate changes in the mental health system to reduce and mitigate multiethnic, sexual orientation, and cultural disparities.

2. Of the amount appropriated in this item, \$15,000,000 is to fund the California Reducing Disparities Project beginning in the 2012–13 fiscal year, and shall be available without regard to fiscal years.

SEC. 28. Item 4280-001-0001 of Section 2.00 of the Budget Act of 2012 is amended to read:

4280-001-0001—For support of Managed Risk Medical Insurance Board.....	2,353,000
Schedule:	
(1) 10-Major Risk Medical Insurance Program.....	1,308,000
(2) 20-Access for Infants and Mothers Program.....	1,040,000
(3) 40-Healthy Families Program.....	9,383,000
(4) 50-County Health Initiative Matching Fund Program.....	486,000
(5) Reimbursements.....	–494,000
(6) Amount payable from Unallocated Account, Cigarette and Tobacco Products Surtax Fund (Item 4280-001-0236).....	–35,000
(7) Amount payable from Perinatal Insurance Fund (Item 4280-001-0309).....	–376,000
(8) Amount payable from Major Risk Medical Insurance Fund (Item 4280-001-0313).....	–1,308,000
(9) Amount payable from Federal Trust Fund (Item 4280-001-0890).....	–7,165,000
(11) Amount payable from Federal Trust Fund (Item 4280-003-0890).....	–315,000

(12) Amount payable from the County
Health Initiative Matching Fund (Item
4280-003-3055)..... -171,000

Provisions:

1. Upon order of the Department of Finance, the Controller shall transfer such funds as are necessary between this item and Item 4280-103-0890 or 4280-103-3055 in order to effectively administer the County Health Initiative Matching Fund program.
2. To provide for the effective use of federal State Children's Health Insurance Program funds in the County Health Initiative Matching Fund program and notwithstanding Section 28.00, this item may be reduced or increased by the Department of Finance not sooner than 30 days after notification in writing to the chairpersons of the committees in each house of the Legislature that consider appropriations and the Chairperson of the Joint Legislative Budget Committee, or such lesser time after that notification as the chairperson of the joint committee, or his or her designee, may in each instance determine. This provision shall not apply to any General Fund increases or reductions.
3. Augmentations to reimbursements in this item are exempt from Section 28.50.
 - (a) The Managed Risk Medical Insurance Board shall provide written notification within 30 days to the Joint Legislative Budget Committee describing the nature and planned expenditure of these augmentations when the amount received exceeds \$200,000.
 - (b) Federal funds may be increased to allow for the matching of the augmentations of reimbursements and the Department of Finance may authorize the establishment of positions if costs are fully offset by the augmentations to reimbursements.
4. ~~A transition plan for the transfer of state administrative resources due to the transfer of functions for the operation of the Healthy Families Program enrolls at or below 133 percent of the federal poverty level to the~~

~~state's Medicaid program and any other applicable functions related to Medicaid requirements to the State Department of Health Care Services~~ shall be provided to all fiscal and applicable policy committees of the Legislature as soon as feasible, but no later than January 10, 2013.

5. The Department of Finance may authorize the transfer of expenditure authority from this item to Item 4260-001-0001 and position authority from the Managed Risk Medical Insurance Board to the State Department of Health Care Services to ~~shift appropriate~~ *consolidate* state administrative ~~resources~~ *functions* for the Healthy Families Program ~~enrollees at or below 133 percent of the federal poverty level and to transition those functions~~ to the State Department of Health Care Services. Any transfer shall be consistent with the transition plan provided to the Legislature as required in Provision 4.

The Director of Finance shall provide notification in writing to the Joint Legislative Budget Committee of any transfer of expenditure authority approved under this provision not less than 30 days prior to the effective date of the approval. This 30-day notification shall include (a) a description of the transfer of the ~~resources~~ *programs*, including the reasons for the transfer, (b) the number and classifications of positions to be transferred, (c) the assumptions used in calculating the amount of expenditure authority and position authority transferred, and (d) any potential fiscal or programmatic effects of the transfer of expenditure and position authority.

SEC. 29. Item 4280-001-0890 of Section 2.00 of the Budget Act of 2012 is amended to read:

<p>4280-001-0890—For support of Managed Risk Medical Insurance Board, for payment to Item 4280-001-0001, payable from the Federal Trust Fund, for Healthy Families Program.....</p>	<p>7,165,000</p>
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Provisions:

1. Provision 3(b) of Item 4280-001-0001 also applies to this item.
2. The Department of Finance may authorize the transfer of expenditure authority from this item to Item 4260-001-0890 and position authority from the Managed Risk Medical Insurance Board to the State Department of Health Care Services to ~~transition children who are living at or below 133 percent of the federal poverty level from consolidate state administrative functions for the operation of the Healthy Families Program to the Medi-Cal program and to transition those functions to the State Department of Health Care Services.~~ Any transfer shall be consistent with the transition plan provided to the Legislature required in Provision 4 of Item 4280-001-0001.

The Director of Finance shall provide notification in writing to the Joint Legislative Budget Committee of any transfer of expenditure authority approved under this provision not less than 30 days prior to the effective date of the approval. This notification shall include (a) a description of the transfer of the ~~resources programs~~, including the reasons for the transfer, (b) the number and classifications of positions to be transferred, (c) the assumptions used in calculating the amount of expenditure and position authority transferred, and (d) any potential fiscal or programmatic effects of the transfer of expenditure and position authority.

SEC. 30. Item 4280-101-0001 of Section 2.00 of the Budget Act of 2012 is amended to read:

4280-101-0001—For local assistance, Managed Risk Medical Insurance Board, for the Healthy Families Program..... 150,307,000
159,603,000

Schedule:

- (1) 20-Access for Infants and Mothers Program..... 71,883,000

1	(2) 40-Healthy Families Program.....	936,431,000
2		793,905,000
3	(3) Amount payable from the Federal	
4	Trust Fund (Item 4280-101-0890).....	-680,731,000
5		-697,859,000
6	(4) Amount payable from the Children's	
7	Health and Human Services Special	
8	Fund (Item 4280-101-3156).....	-177,276,000
9		-8,326,000
10	Provisions:	
11	1. Upon order of the Department of Finance, the Con-	
12	troller shall transfer such funds as are necessary be-	
13	tween this item and Item 4280-102-0001 in order to	
14	effectively administer the Healthy Families Program.	
15	2. The Managed Risk Medical Insurance Board shall use	
16	all available, designated funds for the Healthy Families	
17	Program from the Children's Health and Human Ser-	
18	vices Special Fund before General Fund moneys are	
19	used.	
20	3. The Department of Finance may authorize the transfer	
21	of expenditure authority from this item to Item 4260-	
22	101-0001 or 4260-113-0001, or both of those items,	
23	and position authority from the Managed Risk Medical	
24	Insurance Board to the State Department of Health	
25	Care Services, as it pertains to the transition of children	
26	who are living at or below 133 percent of the federal	
27	poverty line from the Healthy Families Program to	
28	Medi-Cal <i>at the State Department of Health Care Ser-</i>	
29	<i>vices.</i> Any transfer shall be consistent with the transi-	
30	tion plan, or components of a transition plan, as pro-	
31	vided to the Legislature as required in state statute re-	
32	garding these resource <i>program</i> transfers.	
33	The Director of Finance shall provide notification	
34	in writing to the Joint Legislative Budget Committee	
35	of any transfer of expenditure authority approved under	
36	this provision not less than 30 days prior to the effec-	
37	tive date of the approval. This notification shall include	
38	(a) a comprehensive description of the resource <i>pro-</i>	
39	<i>gram</i> transfer, including the number of children affect-	
40	ed and plans affected, and (b) all assumptions used in	

calculating the amount of expenditure and position
authority transferred.

*SEC. 31. Item 4280-101-0890 of Section 2.00 of the Budget
Act of 2012 is amended to read:*

4280-101-0890—For local assistance, Managed Risk Medical Insurance Board, for payment to Item 4280-101-0001, payable from the Federal Trust Fund, for the Healthy Families Program.....	680,731,000 697,859,000
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Provisions:

1. Upon order of the Department of Finance, the Controller shall transfer such funds as are necessary between this item and Item 4280-102-0890 in order to effectively administer the Healthy Families Program.
2. The Department of Finance may authorize the transfer of expenditure authority from this item to Item 4260-101-0890 or 4260-113-0890, or to both of those items, and position authority from the Managed Risk Medical Insurance Board to the State Department of Health Care Services, as it pertains to the transition of ~~children who are living at or below 133 percent of the federal poverty line from the Healthy Families Program to Medi-Cal~~ the State Department of Health Care Services. Any transfer shall be consistent with the transition plan, or components of the transition plan, as provided to the Legislature as required in state statute regarding these ~~resource~~ *program* transfers.

The Director of Finance shall provide notification in writing to the Joint Legislative Budget Committee of any transfer of expenditure authority approved under this provision not less than 30 days prior to the effective date of the approval. This notification shall include (a) a comprehensive description of the ~~resource~~ *transfer program transfer*, including the number of children affected and plans affected, and (b) all assumptions used in calculating the amount of expenditure and position authority transferred.

SEC. 32. Item 4280-101-3156 of Section 2.00 of the Budget Act of 2012 is amended to read:

4280-101-3156—For local assistance, Managed Risk Medical Insurance Board, for payment to Item 4280-101-0001, payable from the Children’s Health and Human Services Special Fund, for the Healthy Families Program..... ~~177,276,000~~
8,326,000

Provisions:

1. Funds appropriated in this item are in lieu of the amounts that otherwise would have been appropriated for administration pursuant to Section 12201 of the Revenue and Taxation Code.
2. Upon order of the Department of Finance, the Controller shall transfer such funds as are necessary between this item and Item 4280-102-3156 in order to effectively administer the Healthy Families Program.
3. Provision 2 of Item 4280-101-0001 also applies to this item.
4. The Department of Finance may authorize the transfer of expenditure authority from this item to Item 4260-101-0001, 4260-101-3156, or 4260-113-0001, or any combination of those items, and position authority from the Managed Risk Medical Insurance Board to the State Department of Health Care Services, as it pertains to the transition of ~~children who are living at or below 133 percent of the federal poverty line from the Healthy Families Program to Medi-Cal~~ the State Department of Health Care Services. Any transfer shall be consistent with the transition plan, or components of a transition plan, as provided to the Legislature as required in state statute regarding these ~~resource~~ program transfers.

The Director of Finance shall provide notification in writing to the Joint Legislative Budget Committee of any transfer of expenditure authority approved under this provision not less than 30 days prior to the effective date of the approval. This notification shall include (a) a comprehensive description of the ~~resource~~ program transfer, including the number of children affect-

ed and plans affected, and (b) all assumptions used in calculating the amount of expenditure and position authority transferred.

SEC. 33. Item 4280-102-0001 of Section 2.00 of the Budget Act of 2012 is amended to read:

4280-102-0001—For local assistance, Managed Risk Medical Insurance Board, for Healthy Families Program administrative contracts..... 2,806,000
3,564,000

Schedule:

(1) 40-Healthy Families Program..... 59,433,000
47,639,000
(2) Reimbursements..... -8,094,000
(3) Amount payable from the Federal Trust
Fund (Item 4280-102-0890)..... -34,043,000
-35,585,000
(4) Amount payable from the Children's
Health and Human Services Special
Fund (Item 4280-102-3156)..... -14,490,000
-396,000

Provisions:

1. Upon order of the Department of Finance, the Controller shall transfer such funds as are necessary between this item and Item 4280-101-0001 in order to effectively administer the Healthy Families Program.
2. Provision 2 of Item 4280-101-0001 also applies to this item.
3. The Department of Finance may authorize the transfer of expenditure authority from this item to Item 4260-101-0001 or 4260-113-0001, or both of those items, and position authority from the Managed Risk Medical Insurance Board to the State Department of Health Care Services, as it pertains to the transition of ~~children who are living at or below 133 percent of the federal poverty line from the Healthy Families Program to Medi-Cal~~ the State Department of Health Care Services. Any transfer shall be consistent with the transition plan, or components of a transition plan, as pro-

vided to the Legislature as required in state statute regarding these ~~resource~~ *program* transfers.

The Director of Finance shall provide notification in writing to the Joint Legislative Budget Committee of any transfer of expenditure authority approved under this provision not less than 30 days prior to the effective date of the approval. This notification shall include (a) a comprehensive description of the ~~resource~~ *program* transfer, including the number of children affected and plans affected, and (b) all assumptions used in calculating the amount of expenditure and position authority transferred.

SEC. 34. Item 4280-102-0890 of Section 2.00 of the Budget Act of 2012 is amended to read:

4280-102-0890—For local assistance, Managed Risk Medical Insurance Board, for payment to Item 4280-102-0001, payable from the Federal Trust Fund, for Healthy Families Program administrative contracts.....	34,043,000
	35,585,000

Provisions:

1. Upon order of the Department of Finance, the Controller shall transfer such funds as are necessary between this item and Item 4280-101-0890 in order to effectively administer the Healthy Families Program.
2. The Department of Finance may authorize the transfer of expenditure authority from this item to Item 4260-101-0890 or 4260-113-0890, or both of those items, and position authority from the Managed Risk Medical Insurance Board to the State Department of Health Care Services, as it pertains to the transition of ~~children who are living at or below 133 percent of the federal poverty line from the Healthy Families Program to Medi-Cal~~ *the State Department of Health Care Services*. Any transfer shall be consistent with the transition plan, or components of a transition plan, as provided to the Legislature as required in state statute regarding these ~~resource~~ *program* transfers.

The Director of Finance shall provide notification in writing to the Joint Legislative Budget Committee of any transfer of expenditure authority approved under this provision not less than 30 days prior to the effective date of the approval. This notification shall include (a) a comprehensive description of the ~~resource~~ *program* transfer, including the number of children affected and plans affected, and (b) all assumptions used in calculating the amount of expenditure and position authority transferred.

SEC. 35. Item 4280-102-3156 of Section 2.00 of the Budget Act of 2012 is amended to read:

4280-102-3156—For local assistance, Managed Risk Medical Insurance Board, for payment to Item 4280-102-0001, payable from the Children’s Health and Human Services Special Fund, for Healthy Families Program administrative contracts..... 14,490,000
396,000

Provisions:

1. Funds appropriated in this item are in lieu of the amounts that otherwise would have been appropriated for administration pursuant to Section 12201 of the Revenue and Taxation Code.
2. Upon order of the Department of Finance, the Controller shall transfer such funds as are necessary between this item and Item 4280-101-3156 in order to effectively administer the Healthy Families Program.
3. Provision 2 of Item 4280-101-0001 also applies to this item.

SEC. 36. Item 5180-101-0001 of Section 2.00 of the Budget Act of 2012 is amended to read:

5180-101-0001—For local assistance, Department of Social Services..... 987,123,000
1,648,532,000

1	Schedule:	
2	(1) 16.30-CalWORKs.....	3,177,369,000
3		4,731,070,000
4	(2) 16.65-Other Assistance Payments....	1,707,423,000
5		819,249,000
6	(3) Reimbursements.....	-759,000
7	(4) Amount payable from the Emergency	
8	Food Assistance Program Fund (Item	
9	5180-101-0122).....	-640,000
10	(5) Amount payable from the Federal	
11	Trust Fund (Item 5180-101-	
12	0890).....	-3,886,424,000
13		-3,890,542,000
14	(6) Amount payable from the Child Support	
15	Collections Recovery Fund (Item 5180-	
16	101-8004).....	-9,846,000
17	Provisions:	
18	1. (a) No funds appropriated in this item shall be encum-	
19	bered unless every rule or regulation adopted and	
20	every all-county letter issued by the State Depart-	
21	ment of Social Services that adds to the costs of	
22	any program is approved by the Department of	
23	Finance as to the availability of funds before it	
24	becomes effective. In making the determination	
25	as to availability of funds to meet the expenditures	
26	of a rule, regulation, or all-county letter that would	
27	increase the costs of a program, the Department	
28	of Finance shall consider the amount of the pro-	
29	posed increase on an annualized basis, the effect	
30	the change would have on the expenditure limita-	
31	tions for the program set forth in this act, the ex-	
32	tent to which the rule, regulation, or all-county	
33	letter constitutes a deviation from the premises	
34	under which the expenditure limitations were	
35	prepared, and any additional factors relating to	
36	the fiscal integrity of the program or the state's	
37	fiscal situation.	
38	(b) Notwithstanding Sections 28.00 and 28.50, the	
39	availability of funds contained in this item for	
40	rules, regulations, or all-county letters that add to	

program costs funded from the General Fund in excess of \$500,000 on an annual basis, including those that are the result of a federal regulation, but excluding those that are (a) specifically required as a result of the enactment of a federal or state law or (b) included in the appropriation made by this act, shall not be approved by the Department of Finance sooner than 30 days after notification in writing to the chairpersons of the committees in each house of the Legislature that consider appropriations and the Chairperson of the Joint Legislative Budget Committee, or sooner than such lesser time after notification as the chairperson of the joint committee, or his or her designee, may in each instance determine.

2. Notwithstanding Chapter 1 (commencing with Section 18000) of Part 6 of Division 9 of the Welfare and Institutions Code, a loan not to exceed \$500,000,000 shall be made available from the General Fund, from funds not otherwise appropriated, to cover the federal share of costs of a program or programs when the federal funds have not been received by this state prior to the usual time for transmitting that federal share to the counties of this state. This loan from the General Fund shall be repaid when the federal share of costs for the program or programs becomes available.
3. The Department of Finance may authorize the transfer of amounts from this item to Item 5180-001-0001 in order to fund the costs of the administrative hearing process associated with the CalWORKs program.
4. (a) The Department of Finance is authorized to approve expenditures in those amounts made necessary by changes in either caseload or payments, including, but not limited to, the timing of federal payments, or any rule or regulation adopted and any all-county letter issued as a result of the enactment of a federal or state law, the adoption of a federal regulation, or a court action, during the 2012–13 fiscal year that are within or in excess of amounts appropriated in this act for that year.

(b) If the Department of Finance determines that the estimate of expenditures will exceed the expenditures authorized for this item, the department shall so report to the Legislature. At the time the report is made, the amount of the appropriation made in this item shall be increased by the amount of the excess unless and until otherwise provided by law.

5. Nonfederal funds appropriated in this item which have been budgeted to meet the state's Temporary Assistance for Needy Families maintenance-of-effort requirement established pursuant to the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193) may not be expended in any way that would cause their disqualification as a federally allowable maintenance-of-effort expenditure.
6. In the event of declared disaster and upon county request, the State Department of Social Services may act in the place of any county and assume direct responsibility for the administration of eligibility and grant determination. Upon recommendation of the Director of Social Services, the Department of Finance may authorize the transfer of funds from this item and Item 5180-101-0890, to Items 5180-001-0001 and 5180-001-0890, for this purpose.
7. Pursuant to the Electronic Benefit Transfer (EBT) Act (Chapter 3 (commencing with Section 10065) of Part 1 of Division 9 of the Welfare and Institutions Code) and in accordance with the EBT System regulations (Manual of Policies and Procedures Section 16-401.15), in the event a county fails to reimburse the EBT contractor for settlement of EBT transactions made against the county's cash assistance programs, the state is required to pay the contractor. The State Department of Social Services may use funds from this item to reimburse the EBT contractor for settlement on behalf of the county. The county shall be required to reimburse the department for the county's settlement via direct payment or administrative offset.

8. The Department of Finance is authorized to approve expenditures for the California Food Assistance Program in those amounts made necessary by changes in the CalFresh Program Standard Utility Allowance, including those that result from midyear Standard Utility Allowance adjustments requested by the state. If the Department of Finance determines that the estimate of expenditures will exceed the expenditure authority of this item, the department shall so report to the Legislature. At the time the report is made, the amount of the appropriation made in this item shall be increased by the amount of the excess unless and until otherwise provided by law.

SEC. 37. Item 5180-101-0890 of Section 2.00 of the Budget Act of 2012 is amended to read:

5180-101-0890—For local assistance, Department of Social Services, for payment to Item 5180-101-0001, payable from the Federal Trust Fund..... 3,886,424,000
3,890,542,000

Provisions:

1. Provisions 1, 4, 6, and 7 of Item 5180-101-0001 also apply to this item.
2. The Director of Finance may authorize the transfer of amounts from this item to Item 5180-001-0890 in order to fund the costs of the administrative hearing process associated with the CalWORKs program.
3. For the purpose of broadening access to federal Child and Adult Care Food Program benefits for low-income children in proprietary child care centers, the State Department of Social Services may transfer up to \$10,000,000 of the funds appropriated in this item for Program 16.30—CalWORKs, from the Temporary Assistance for Needy Families (TANF) block grant to the Social Services Block Grant (Title XX) pursuant to authorization in the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193). The Title XX funds shall be pooled with TANF funds appropriated in this item for Cal-

WORKs Child Care. This transfer shall occur only if the Director of Finance approves the pooling of Title XX funds with Child Care and Development Fund or TANF funds, or both.

4. Upon request of the State Department of Social Services, the Director of Finance may increase or decrease the expenditure authority in this item to offset any increases or decreases in collections deposited in the Child Support Collections Recovery Fund and appropriated in Item 5180-101-8004. The Department of Finance shall provide notification of the adjustment to the Joint Legislative Budget Committee within 10 working days from the date of Department of Finance approval of the adjustment.
5. Upon request of the Department of Finance, the Controller shall transfer funds between this item and Item 5180-153-0890 as needed to reflect the estimated expenditure amounts for each county that opts into the Title IV-E Child Welfare Waiver Demonstration Project pursuant to Section 18260 of the Welfare and Institutions Code. The Department of Finance shall report to the Legislature the amount to be transferred pursuant to this provision. The transfer shall be authorized at the time the report is made.

SEC. 38. Item 5180-111-0001 of Section 2.00 of the Budget Act of 2012 is amended to read:

5180-111-0001—For local assistance, Department of Social	
Services.....	4,412,120,000
	4,443,230,000
Schedule:	
(1) 16.70-SSI/SSP.....	2,770,100,000
(2) 25.15-IHSS.....	6,339,574,000
	6,239,606,000
(3) Reimbursements.....	4,697,554,000
	4,566,476,000
Provisions:	
1. Provisions 1 and 4 of Item 5180-101-0001 also apply	
to this item.	

- 1 2. Notwithstanding Chapter 1 (commencing with Section
2 18000) of Part 6 of Division 9 of the Welfare and In-
3 stitutions Code, a loan not to exceed \$364,000,000
4 shall be made available from the General Fund from
5 funds not otherwise appropriated, to cover the federal
6 share or reimbursable share, or both, of costs of a
7 program or programs when the federal funds or reim-
8 bursements (from the Health Care Deposit Fund or
9 counties) have not been received by this state prior to
10 the usual time for transmitting payments for the federal
11 or reimbursable share of costs for this state. That loan
12 from the General Fund shall be repaid when the federal
13 share of costs for the program or programs becomes
14 available, or in the case of reimbursements, subject to
15 Section 16351 of the Government Code. County reim-
16 bursements also shall be subject to Section 16314 of
17 the Government Code, which specifies the rate of in-
18 terest. The State Department of Social Services may
19 offset a county's share of cost of the In-Home Support-
20 ive Services (IHSS) program against local assistance
21 payments made to the county if the county fails to re-
22 imburse its share of cost of the IHSS program to the
23 state.
- 24 3. The State Department of Social Services shall provide
25 technical assistance to counties to ensure that they
26 maximize the receipt of federal funds for the IHSS
27 program, without compromising the quality of the
28 services provided to IHSS recipients.
- 29 4. The Director of Finance may authorize the transfer of
30 amounts from this item to Item 5180-001-0001 in order
31 to fund increased costs due to workload associated
32 with the retroactive reimbursement of Medi-Cal ser-
33 vices for the IHSS program to comply with *Conlan v.*
34 *Shewry* (2005) 131 Cal.App.4th 1354. The Department
35 of Finance shall report to the Legislature the amount
36 to be transferred pursuant to this provision and the
37 number of positions to be established by the State
38 Department of Social Services. The transfer shall be
39 authorized at the time the report is made. The State
40 Department of Social Services shall review the work-

load associated with the Conlan v. Shewry decision during the 2012–13 fiscal year and may administratively establish positions as the workload requires.

5. The Director of Finance may authorize the transfer of amounts from this item to Item 5180-001-0001 in order to fund the cost of the administrative hearing process associated with changes in aid or service payments in the IHSS program. The Department of Finance shall report to the Legislature the amount to be transferred pursuant to this provision. The transfer shall be authorized at the time the report is made.

SEC. 39. Item 5180-141-0001 of Section 2.00 of the Budget Act of 2012 is amended to read:

5180-141-0001—For local assistance, Department of Social Services.....	713,268,000
	717,265,000

Schedule:

- (1) 16.75-County Administration and Automation Projects..... ~~1,838,800,000~~
1,833,498,000
- (2) Reimbursements..... ~~-50,456,000~~
-47,333,000
- (3) Amount payable from the Federal Trust Fund (Item 5180-141-0890)..... ~~-1,075,076,000~~
-1,068,900,000

Provisions:

1. Notwithstanding Chapter 1 (commencing with Section 18000) of Part 6 of Division 9 of the Welfare and Institutions Code, a loan not to exceed \$127,000,000 shall be made available from the General Fund, from funds not otherwise appropriated, to cover the federal share of costs of a program when the federal funds have not been received by this state prior to the usual time for transmitting that federal share to the counties of this state. This loan from the General Fund shall be repaid when the federal share of costs for the program or programs becomes available.

2. In the event of declared disaster and upon county request, the State Department of Social Services may act in the place of any county and assume direct responsibility for the administration of eligibility and grant determination. Upon recommendation of the Director of Social Services, the Department of Finance may authorize the transfer of funds from this item and Item 5180-141-0890, to Items 5180-001-0001 and 5180-001-0890, for this purpose.
3. Provision 1 of Item 5180-101-0001 also applies to this item.
4. Pursuant to public assistance caseload estimates reflected in the annual Governor's Budget, the Department of Finance may approve expenditures in those amounts made necessary by a court action or changes in caseload that are in excess of amounts appropriated in this act. If the Department of Finance determines that the estimate of expenditures will exceed the expenditures authorized for this item, the department shall so report to the Legislature. At the time the report is made, the amount of the appropriation made by this item shall be increased by the amount of the excess unless and until otherwise provided by law.
5. Nonfederal funds appropriated in this item which have been budgeted to meet the state's Temporary Assistance for Needy Families maintenance-of-effort requirement established pursuant to the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193) may not be expended in any way that would cause their disqualification as a federally allowable maintenance-of-effort expenditure.
6. This item may be increased by up to \$18,000,000 by order of the Director of Finance to address system changes necessary to implement the requirements of the federal Patient Protection and Affordable Care Act (P.L. 111-148). The Director of Finance shall provide notification in writing to the Joint Legislative Budget Committee of any expenditure approved under this provision not less than 30 days prior to the effective date of the approval. This 30-day notification shall

1 include a plan for the system changes necessary to
 2 implement the requirements of the federal Patient
 3 Protection and Affordable Care Act.

4
 5 *SEC. 40. Item 5180-141-0890 of Section 2.00 of the Budget*
 6 *Act of 2012 is amended to read:*

7
 8 5180-141-0890—For local assistance, Department of Social
 9 Services, for payment to Item 5180-141-0001, payable
 10 from the Federal Trust Fund..... ~~1,075,076,000~~
 11 *1,068,900,000*

12 Provisions:

- 13 1. Provisions 2, 3, 4, and 6 of Item 5180-141-0001 also
 14 apply to this item.
- 15 2. Upon request by the Department of Finance, the Con-
 16 troller shall transfer funds between this item and Item
 17 5180-153-0890 as needed to reflect the estimated ex-
 18 penditure amounts for each county that opts into the
 19 Title IV-E Child Welfare Waiver Demonstration Pro-
 20 ject pursuant to Section 18260 of the Welfare and In-
 21 stitutions Code. The Department of Finance shall re-
 22 port to the Legislature the amount to be transferred
 23 pursuant to this provision. The transfer shall be autho-
 24 rized at the time the report is made.

25
 26 *SEC. 41. Item 5225-001-0001 of Section 2.00 of the Budget*
 27 *Act of 2012 is amended to read:*

28
 29 5225-001-0001—For support of Department of Corrections
 30 and Rehabilitation..... ~~5,708,363,000~~
 31 *5,711,687,000*

32 Schedule:

- 33 (1) 10-Corrections and Rehabilitation Ad-
 34 ministration..... ~~404,760,000~~
 35 *408,084,000*
- 36 (2) 12-Department of Justice Legal Ser-
 37 vices..... 39,299,000
- 38 (3) 20-Juvenile Operations and Juvenile
 39 Offender Programs..... 131,710,000

1	(4) 21-Juvenile Academic and Vocational	
2	Education.....	9,898,000
3	(6) 23-Juvenile Health Care.....	22,495,000
4	(7) 25-Adult Corrections and Rehabilita-	
5	tion Operations—General Securi-	
6	ty.....	2,986,843,000
7	(8) 26-Adult Corrections and Rehabilita-	
8	tion Operations—Security Overtime....	206,050,000
9	(9) 27-Adult Corrections and Rehabilita-	
10	tion Operations—Inmate Support....	1,020,278,000
11	(10) 28-Adult Corrections and Rehabilitation	
12	Operations—Contracted Facilities.....	43,836,000
13	(11) 29-Adult Corrections and Rehabilita-	
14	tion Operations—Institution Adminis-	
15	tration.....	361,824,000
16	(12) 30-Parole Operations—Adult Supervi-	
17	sion.....	306,451,000
18	(13) 31-Parole Operations—Adult Commu-	
19	nity Based Programs.....	105,453,000
20	(14) 32-Parole Operations—Adult Adminis-	
21	tration.....	68,272,000
22	(15) 35-Board of Parole Hearings—Adult	
23	Hearings.....	69,053,000
24	(16) 36-Board of Parole Hearings—Admin-	
25	istration.....	2,856,000
26	(19) 47-Adult Education, Vocation and Of-	
27	fender Programs—Adult Inmate Activ-	
28	ities.....	65,464,000
29	(20) 48-Adult Education, Vocation and Of-	
30	fender Programs—Adult Administra-	
31	tion.....	9,006,000
32	(21) Reimbursements.....	–77,535,000
33	(22) Amount payable from the Federal Trust	
34	Fund (Item 5225-001-0890).....	–2,347,000
35	(23) Amount payable from the Inmate	
36	Welfare Fund of the Department of	
37	Corrections (Item 5225-001-0917).....	–65,303,000

Provisions:

1. Any funds recovered as a result of audits of locally operated return-to-custody centers shall revert to the General Fund.
2. When contracting with counties for vacant jail beds for any inmate under the jurisdiction of the Secretary of the Department of Corrections and Rehabilitation, the department shall not reimburse counties more than the average amount it costs the state to provide the same services in comparable state institutions. This restriction shall not apply to any existing contract, but shall apply to the extension or renewal of that contract. In addition, the total operational cost of incarcerating state inmates in leased county jail beds (which includes state costs, but is exclusive of one-time and capital outlay costs) shall not exceed the department's average cost for operating comparable institutions.
3. Not later than 60 days following enactment of this act, and subsequently on February 10 and upon release of the May Revision, the Secretary of the Department of Corrections and Rehabilitation shall submit to the Director of Finance the Post Assignment Schedule for each adult institution, reconciled to budgeted authority and consistent with approved programs, along with allotments consistent with the reconciled Post Assignment Schedule for each adult institution. The report shall include the dates for which each allotment was submitted to the institutions and the date each institution acknowledged receiving its allotments.
6. Not later than January 10, 2013, and upon release of the May Revision, the Secretary of the Department of Corrections and Rehabilitation shall submit to the Director of Finance a report detailing the number of positions being reduced within the department as a result of AB 109 implementation. The report shall include, but not be limited to, the number of correctional officers in overtime avoidance pool positions and permanent intermittent positions by month, the attrition of custody staff by month, overtime and temporary help expenditure usage by institution by month compared

to prior year expenditures, the number of staff who voluntarily moved during each layoff wave, and the number of employees ultimately laid off during each wave.

7. Notwithstanding any other provision of law, of the amount in Schedule (11), \$2,834,000 is available for expenditure on capital improvement projects at the Folsom Transitional Treatment Facility.

SEC. 42. Item 5225-002-0001 of Section 2.00 of the Budget Act of 2012 is amended to read:

5225-002-0001—For support of Department of Corrections and Rehabilitation..... ~~2,112,208,000~~
2,112,613,000

Schedule:

- (1) 10-Corrections and Rehabilitation Administration..... 0
- (2) 50.10-Medical Services—Adult..... 1,445,381,000
- (3) 50.20-Dental Services—Adult..... 139,338,000
- (4) 50.30-Mental Health Services—Adult..... 307,520,000
- (5) 50.40-Ancillary Health Care Services—Adult..... 187,145,000
- (6) 50.50-Dental and Mental Health Services Administration—Adult..... ~~35,095,000~~
35,500,000
- (7) Reimbursements..... -2,271,000

Provisions:

1. On February 14, 2006, the United States District Court in the case of Plata v. Brown (No. C01-1351-TEH) suspended the exercise by the Secretary of the Department of Corrections and Rehabilitation of all powers related to the administration, control, management, operation, and financing of the California prison medical health care system. The court ordered that all such powers vested in the Secretary of the Department of Corrections and Rehabilitation were to be performed by a Receiver appointed by the court commencing April 17, 2006, until further order of the court. The

- 1 Director of the Division of Correctional Health Care
2 Services of the Department of Corrections and Reha-
3 bilitation is to administer this item to the extent direct-
4 ed by the Receiver.
- 5 2. Notwithstanding any other provision of law, the De-
6 partment of Corrections and Rehabilitation is not re-
7 quired to competitively bid for health services con-
8 tracts in cases where contracting experience or history
9 indicates that only one qualified bid will be received.
- 10 3. Notwithstanding Section 13324 of the Government
11 Code or Section 32.00 of this act, no state employee
12 shall be held personally liable for any expenditure or
13 the creation of any indebtedness in excess of the
14 amounts appropriated therefor as a result of complying
15 with the directions of the Receiver or orders of the
16 United States District Court in Plata v. Brown.
- 17 4. The amounts appropriated in Schedules (2) and (5)
18 are available for expenditure by the Receiver appointed
19 by the Plata v. Brown court to carry out its mission to
20 deliver constitutionally adequate medical care to in-
21 mates.
- 22 5. The amounts appropriated in Schedules (3), (4), and
23 (6) are available for expenditure by the Department
24 of Corrections and Rehabilitation to provide mental
25 health and dental services only.
- 26 6. Notwithstanding any other provision of law, the Re-
27 ceiver, on behalf of the Department of Corrections and
28 Rehabilitation, shall process and pay for all medical
29 claims for medical parolees pursuant to Section 3550
30 of the Penal Code from funds available in Schedule
31 (2).
- 32 7. Not later than 30 days following approval by the De-
33 partment of Finance of the Receiver's acuity-based
34 methodology for allocating prison medical staff, the
35 Receiver shall submit to the chairpersons and vice
36 chairpersons of the committees in both houses of the
37 Legislature that consider the State Budget, the Director
38 of Finance, and the Legislative Analyst's Office a re-
39 port on the methodology. Specifically, the report shall
40 include: (a) data on the overall number of staff allocat-

ed to each of the state's prisons both prior to and following the implementation of the revised methodology, by classification, (b) a detailed description of the methodology used to develop the revised staffing packages, and (c) the estimated savings or costs resulting from the revised methodology in the budget year and ongoing, by institution.

8. On or before March 1, 2013, California Correctional Health Care Services shall prepare a report to the Legislature on the costs, benefits, and feasibility of charging a copayment for all new inmate pharmaceutical prescriptions originating within the state prison system.

SEC. 43. Item 6110-001-0890 of Section 2.00 of the Budget Act of 2012 is amended to read:

6110-001-0890—For support of Department of Education, for payment to Item 6110-001-0001, payable from the Federal Trust Fund.....	162,264,000
	162,299,000

Provisions:

1. The funds appropriated in this item include federal Carl D. Perkins Vocational and Technical Education Act of 2006 (P.L. 109-270) funds for the current fiscal year to be transferred to community colleges by means of interagency agreements. These funds shall be used by community colleges for the administration of career technical education programs.
2. Of the funds appropriated in this item, \$96,000 is available to the Advisory Commission on Special Education for the in-state travel expenses of the commissioners and the secretary to the commission.
3. Of the funds appropriated in this item, \$426,000 is available for programs for homeless youth and adults pursuant to the federal McKinney-Vento Homeless Assistance Act (42 U.S.C. Sec. 11431 et seq.). The State Department of Education shall consult with the Department of Community Services and Development, the State Department of State Hospitals, the Depart-

1 ment of Housing and Community Development, and
2 the Commission for Economic Development in oper-
3 ating this program.

- 4 4. Of the funds appropriated in this item, \$318,000 shall
5 be used to provide training in culturally nonbiased
6 assessment and specialized language skills to special
7 education teachers.

- 8 5. (a) Of the funds appropriated in this item,
9 \$11,765,000 is from the Child Care and Develop-
10 ment Block Grant Fund and is available for sup-
11 port of child care services. Of the federal funds
12 in this item, \$1,533,000 is for 13.0 positions to
13 address compliance monitoring and overpayments,
14 which may contribute to early detection of fraud.
15 All federally subsidized child care agencies shall
16 be audited pursuant to federal regulations per Part
17 98 of Title 45 of the Code of Federal Regulations.
18 The State Department of Education (SDE) shall
19 provide information to the Legislature and Depart-
20 ment of Finance each year that quantifies by pro-
21 gram provider-by-provider level data, including
22 instances and amounts of overpayments and fraud,
23 as documented by the SDE's compliance monitor-
24 ing efforts for the prior fiscal year. Additionally,
25 the SDE shall provide a copy of any federal re-
26 ports submitted regarding improper payments and
27 fraud to the Legislature and the Department of
28 Finance.

- 29 (b) As a condition of receiving the resources specified
30 in subdivision (a), every alternative payment
31 agency and subsidized general child care agency
32 shall be audited each year using sufficient sam-
33 pling of provider records of the following: (1)
34 family fee determinations, (2) income eligibility,
35 (3) rate limits, and (4) basis for hours of care, to
36 determine compliance rates, any instances of
37 misallocation of resources, and the amount of
38 funds expected to be recovered from instances of
39 both potential fraud and overpayment when no
40 intent to defraud is suspected. This information

1 shall be contained in a separate report for each
2 provider, with a single statewide summary report
3 annually submitted to the Governor and the Leg-
4 islature no later than April 15.

- 5 6. Of the funds appropriated in this item, \$9,206,000 is
6 for dispute resolution services, including mediation
7 and fair hearing services, provided through contract
8 for the special education programs. The State Depart-
9 ment of Education shall ensure the quarterly reports
10 that the contractor submits on the results of its dispute
11 resolution services include the same information as
12 required by Provision 9 of Item 6110-001-0890 of the
13 Budget Act of 2006 (Chs. 47 and 48, Stats. 2006) and
14 Section 56504.5 of the Education Code and reflect
15 year-to-date data and final yearend data.

- 16 7. Of the funds appropriated in this item, \$125,000 shall
17 be allocated for increased travel costs associated with
18 program reviews conducted by the Special Education
19 Division Focused Monitoring and Technical Assistance
20 units. Expenditure of these funds is subject to Depart-
21 ment of Finance approval of an expenditure plan. The
22 expenditure plan shall include the proposed travel costs
23 associated with focused monitoring and technical as-
24 sistance provided by the State Department of Educa-
25 tion. It shall also include the estimated type and num-
26 ber of reviews to be conducted and shall provide an
27 estimated average cost per type of review. Annual re-
28 newal of this funding is subject to Department of Fi-
29 nance approval of an annual focused monitoring final
30 expenditure report. The report shall be submitted on
31 or before September 30 of each year. It shall provide
32 the total number of reviews conducted each fiscal year,
33 the amount of staff and personnel days and hours asso-
34 ciated with each category of review, the travel costs
35 associated with the type and number of reviews con-
36 ducted, and an average cost per type of review.

- 37 8. Of the funds appropriated in this item, \$443,000 is for
38 3.0 positions within the State Department of Education
39 for increased monitoring associated with educationally
40 related mental health services, including out-of-home

1 residential services for emotionally disturbed pupils,
2 required by an individualized education program pur-
3 suant to the federal Individuals with Disabilities Edu-
4 cation Improvement Act of 2004 (20 U.S.C. Sec. 1400
5 et seq.).

- 6 9. Of the funds appropriated in this item, \$710,000 is
7 available to provide ongoing support for the Child
8 Nutrition Information and Payment System.

- 9 10. Of the funds appropriated in this item, \$2,506,000
10 shall be used for the administration of the 21st Century
11 Community Learning Centers Program.

- 12 11. Of the funds appropriated in this item, \$195,000 in
13 federal Carl D. Perkins Vocational and Technical Ed-
14 ucation Act of 2006 (P.L. 109-270) funding and 2.0
15 positions shall be available to support the California
16 Career Resource Network program.

- 17 12. Of the amount appropriated in this item, \$100,000 is
18 available for the California Career Resource Network
19 program to develop career resource materials and in-
20 formation.

- 21 13. Of the funds appropriated in this item, \$378,000 and
22 4.0 positions are provided to support workload for the
23 federal School Improvement Grant (SIG) Program.

- 24 14. Of the funds appropriated in this item, \$308,000 is
25 available from Title II funds for an interagency
26 agreement with the Commission on Teacher Creden-
27 tialing to support teacher misassignment monitoring
28 activities.

- 29 15. Of the funds appropriated in this item, \$109,000 is
30 provided in federal Title III funds for 1.0 position to
31 support the English language learner component of
32 the Mathematics and Reading Professional Develop-
33 ment Program.

- 34 16. Of the funds appropriated in this item, \$945,000 is
35 available from federal Title II funds for the Compli-
36 ance, Monitoring, Interventions, and Sanctions (CMIS)
37 Program. This program is designed to help school
38 districts meet the highly qualified teacher requirements
39 specified in the federal No Child Left Behind Act of
40 2001 (P.L. 107-110). By April 1 of each year, the State

Department of Education shall submit a report on the CMIS Program to the appropriate budget and policy committees of the Legislature, the Legislative Analyst's Office, and the Department of Finance. The report shall identify (a) the number of school districts that received CMIS support in the prior fiscal year and (b) the major components of the plans that those districts developed to respond to the federal highly qualified teacher requirements. For each participating district, the report shall provide longitudinal data on the number and percent of teachers who are and are not highly qualified. At a minimum, the annual report shall include finalized data for the prior fiscal year and initial data for the current fiscal year. The report shall provide data separately for high- and low-poverty schools. For comparison, the report shall provide the same longitudinal data for the statewide average of all school districts as well as the average for school districts not receiving CMIS support.

17. Of the funds appropriated in this item, \$96,000 is available from federal Title I funds on a one-time basis for 1.0 position until June 30, 2013, to review student academic growth models for up to ten dropout recovery high schools pursuant to Chapter 669 of the Statutes of 2011.
18. Of the funds appropriated in this item, \$674,000 is available for Child Nutrition Program compliance and monitoring activities.
19. Of the funds appropriated in this item, \$150,000 is available for the California Teleaudiology Project.
20. Of the funds appropriated in this item, \$2,000,000 is provided to support the Safe and Supportive Schools Grant.
21. Of the funds appropriated in this item, up to \$108,000 is for the administration of the Commodity Supplemental Food Program, contingent on approval from the United States Department of Agriculture.
22. Of the funds appropriated in this item, \$1,235,000 is provided for the following special child nutrition grants, contingent on receipt of grant awards from the

1 United States Department of Agriculture: \$535,000
2 for the Administrative Reviews and Training (ART)
3 grant, \$300,000 for the Team Nutrition grant, \$250,000
4 for the Direct Certification grant, and \$150,000 for
5 the Fresh Fruit and Vegetable grant.

6 23. Of the funds appropriated in this item, \$200,000 is
7 available to fund 2.0 existing positions on a limited-
8 term basis until June 30, 2013, and other costs to sup-
9 port increased technical assistance activities associated
10 with new federal child nutrition requirements under
11 the federal Healthy, Hunger-Free Kids Act of 2010
12 (P.L. 11-296).

13 24. Of the funds appropriated in this item, \$1,000,000 is
14 provided in the 2012–13 fiscal year for technical assis-
15 tance to child nutrition sponsors regarding new nutri-
16 tional requirements, and in the 2013–14 fiscal year for
17 increased costs associated with new federal require-
18 ments to increase the frequency of compliance reviews
19 for child nutrition programs. To the extent that addi-
20 tional staff resources are needed, positions shall be
21 redirected from existing vacancies within the State
22 Department of Education.

23 25. Of the funds appropriated in this item, \$447,000 shall
24 be for program support for the Improving Teacher
25 Quality Higher Education grants program and 2.0
26 permanent positions.

27 26. Of the funds appropriated in this item, \$6,636,000 is
28 for the California Longitudinal Pupil Achievement
29 Data System (CALPADS), which is to meet the require-
30 ments of the federal No Child Left Behind Act of 2001
31 (20 U.S.C. Sec. 6301 et seq.) and Chapter 1002 of the
32 Statutes of 2002. These funds are payable from the
33 Federal Trust Fund to the State Department of Educa-
34 tion (SDE). Of this amount, \$5,641,000 is federal Title
35 VI funds and \$995,000 is federal Title II funds. These
36 funds are provided for the following purposes:
37 \$3,254,000 for systems housing and maintenance
38 provided by the Office of Technology Services
39 (OTECH); \$908,000 for costs associated with neces-
40 sary system activities; \$790,000 for SDE staff, and

\$710,000 for various other costs, including hardware and software costs, indirect charges, Department of General Services charges, and operating expenses and equipment. As a condition of receiving these funds, SDE shall ensure the following work has been completed prior to making final vendor payments: a Systems Operations Manual, as specified in the most current contract, has been delivered to SDE and all needed documentation and knowledge transfer of the system has occurred; all known software defects have been corrected; the system is able to receive and transfer data reliably between the state and local educational agencies within timeframes specified in the most current contract; system audits assessing data quality, validity, and reliability are operational for all data elements in the system; and SDE is able to operate and maintain CALPADS over time. As a further condition of receiving these funds, the SDE shall not add additional data elements to CALPADS, require local educational agencies to use the data collected through the CALPADS for any purpose, or otherwise expand or enhance the system beyond the data elements and functionalities that are identified in the most current approved Feasibility Study and Special Project Reports and the CALPADS Data Guide v1.2. In addition, \$974,000 is for SDE data management staff responsible for fulfilling certain federal requirements not directly associated with CALPADS.

27. Of the funds appropriated in this item, \$2,360,000 is available in one-time Title I carryover funds to conduct activities related to implementation of the academic content standards in mathematics and English language arts, as authorized by Chapters 605, 608, and 623 of the Statutes of 2011.
28. Of the funds appropriated in this item, \$556,000 is provided to support the workload associated with the federally required oversight of contracts between food service management companies and school food authorities.

- 1 29. Of the funds appropriated in this item, \$4,800,000 is
- 2 provided on a one-time basis to support statewide
- 3 training of school food authorities regarding changes
- 4 to the meal and nutritional standards contained in the
- 5 federal Healthy, Hunger-Free Kids Act of 2010 (P.L.
- 6 111-296), as allowed by federal guidelines on the allo-
- 7 cation of administrative funds for state costs of imple-
- 8 mentation of new meal patterns for the National School
- 9 Lunch Program and School Breakfast Program.
- 10 30. Of the funds appropriated in this item, \$680,000 is
- 11 provided in one-time carryover funds for the Safe and
- 12 Supportive Schools program to support enhanced data
- 13 collection capacity and accuracy and increased techni-
- 14 cal assistance to participating schools.
- 15 31. Of the funds appropriated in this item, \$424,000 is
- 16 provided in one-time federal carryover funds for the
- 17 Striving Readers Comprehensive Literacy Program.
- 18 32. Of the funds appropriated in this item, \$825,000 is
- 19 available on a one-time basis for the State Department
- 20 of Education to contract for an independent evaluation
- 21 of the Public Charter Schools Grant Program and to
- 22 contract to provide technical assistance to sub-grantees.
- 23 33. (a) Of the funds appropriated in this item, \$5,300,000
- 24 shall be available to support local quality improve-
- 25 ment activities under the Race to the Top—Early
- 26 Learning Challenge Grant (RTT-ELC), contingent
- 27 on approval of an expenditure plan submitted to
- 28 the Department of Finance and the Legislature.
- 29 In addition, the State Department of Education
- 30 (SDE) shall provide a copy of the contract that
- 31 includes a statement of work pertaining to the
- 32 collection of kindergarten readiness assessment
- 33 data to the Department of Finance and the Legis-
- 34 lature for review and approval, prior to signing
- 35 of the contract or encumbrance of funds. The
- 36 purpose is to ensure that the scope of the contract
- 37 does not exceed that specified in the state's appli-
- 38 cation for RTT-ELC funds.

(b) The SDE may use RTT-ELC funds appropriated in this item to reimburse state operations costs incurred during the 2011–12 fiscal year.

34. Of the funds appropriated in this item, \$1,226,000 of the federal Individuals with Disabilities Education Act (IDEA) funds is available for the State Department of Education to provide oversight and technical assistance for local educational agencies as the responsibility for overseeing educationally related mental health services transitions from county mental health agencies to special education local plan areas. Of these funds, \$426,000 shall be used to fund 3.0 three-year limited-term positions for monitoring residential placements in out-of-state facilities associated with educationally related mental health services.

35. Of the funds appropriated in this item, up to \$705,000 is provided in one-time federal Title I, Part C, carry-over funds for transfer to the State Audit Fund for the purpose of the Bureau of State Audits to conduct an independent audit of state and local implementation of the federally funded Migrant Education Program. The audit report shall be submitted to the appropriate fiscal and policy committees of each house of the Legislature and to the State Department of Education (SDE) no later than March 1, 2013.

(a) The audit report shall include all of the following:

(1) A detailed audit of expenditures, fiscal practices, and fiscal oversight at the SDE and in a sample of local Migrant Education Program regions to determine whether there is compliance with applicable state and federal laws, regulations, and administrative policies.

(2) A detailed audit of the State Parent Advisory Council (SPAC) makeup and activities at the state level and in a sample of local Migrant Education Program regions to determine whether there is compliance with applicable state and federal laws, regulations, and administrative policies, and to assess whether the

- 1 state appropriately supports and engages mi-
 2 grant parents.
- 3 (3) A detailed review of how effectively the state
 4 organizes and implements migrant education
 5 services at both the state and local levels,
 6 which includes alignment between program
 7 goals and program activities, outcomes from
 8 state-level contracts, effectiveness of data
 9 collection structures and internal operations,
 10 and the efficacy of the existing regional ser-
 11 vice delivery structure.
- 12 (4) Recommendations for how the state may ad-
 13 dress audit findings related to the topics de-
 14 scribed in paragraphs (1), (2), and (3).
- 15 (5) A review of the extent to which any relevant
 16 findings raised in recent federal reviews
 17 (since 2006) of the state’s Migrant Education
 18 Program pertaining to these and other topics
 19 have been addressed. If these findings have
 20 not been adequately addressed, provide rec-
 21 ommendations on how the state should ad-
 22 dress them to ensure the delivery of services
 23 in the Migrant Education Program are effi-
 24 cient and effective.
- 25 (b) The regions selected for the sample shall be suffi-
 26 cient in number to reflect the diversity of local
 27 regions and program structures.
- 28 36. Of the funds appropriated in this item, \$130,000 is
 29 provided for one existing limited-term position to
 30 support the federal Migrant Education Program.

31
 32 *SEC. 44. Item 6110-005-0001 of Section 2.00 of the Budget*
 33 *Act of 2012 is amended to read:*

34

35	6110-005-0001—For support of Department of Education, as	
36	allocated by the Department of Education to the State	
37	Special Schools, Program 10.60.040.....	33,259,000
38	Schedule:	
39	(1) 10.60.040-Instruction.....	37,560,000

1	(a) 10.60.040.001-School	
2	for the Blind, Fre-	
3	mont.....	5,930,000
4	(b) 10.60.040.002-School	
5	for the Deaf, Fre-	
6	mont.....	18,010,000
7	(c) 10.60.040.003-School	
8	for the Deaf, River-	
9	side.....	15,420,000
10	(d) 97.20.001-Unallocat-	
11	ed Reduction.....	-1,800,000
12	(1.5) 97.20.002-Unallocated.....	1,800,000
13	(2) Reimbursements.....	-4,301,000
14		-6,101,000
15	(3) Amount payable from the Federal Trust	
16	Fund (Item 6110-005-0890).....	-1,800,000
17	Provisions:	
18	1. The reduction in Schedule (1)(d) shall, to the extent	
19	possible, be achieved by reducing discretionary de-	
20	ferred maintenance projects.	

22 *SEC. 45. Item 6110-005-0890 of Section 2.00 of the Budget*
 23 *Act of 2012 is repealed.*

25 ~~6110-005-0890—For support of Department of Education, as~~
 26 ~~allocated by the Department of Education to the State~~
 27 ~~Special Schools, payable from the Federal Trust Fund.....~~ 1,800,000

29 *SEC. 46. Item 6110-140-0001 of Section 2.00 of the Budget*
 30 *Act of 2012 is amended to read:*

32 6110-140-0001—For local assistance, Department of Education
 33 (Proposition 98), for transfer to Section A of the State
 34 School Fund, Program 20-Instructional Support..... 0
 35 886,000

36 Schedule:

37	(1) 20.80.001-Student Friendly Services....	1,000
38	(2) 20.90.001.020-California School Infor-	
39	mation Services Administration.....	1,255,000
40		2,184,000

1	(4) 20.90.001.040-Fiscal Crisis and Manage-	
2	ment Assistance Team.....	1,000
3	(5) Amount payable from the Educational	
4	Telecommunication Fund (Item 6110-	
5	140-0349).....	-1,257,000
6		-1,300,000
7	Provisions:	
8	1. The Superintendent of Public Instruction shall allocate	
9	the funds appropriated in Schedule (1) for the Student	
10	Friendly Services program.	
11	2. The funds appropriated in Schedule (2) shall be for	
12	allocation to the Fiscal Crisis and Management Assis-	
13	tance Team for costs associated with administration	
14	of the California School Information Services project.	
15	5. The State Department of Education and the California	
16	School Information Services shall jointly report by	
17	October 1, 2012, to the Department of Finance, the	
18	Legislative Analyst's Office, and the budget commit-	
19	tees of the Legislature on the workload activities per-	
20	formed by each entity to implement the California	
21	Longitudinal Pupil Achievement Data System (CAL-	
22	PADS).	
23	6. Of the funds appropriated in Schedule (4), and	
24	notwithstanding Section 10554 of the Education Code,	
25	the Controller shall transfer from the General Fund	
26	the actual amount certified by the Superintendent of	
27	Public Instruction as reductions made to apportion-	
28	ments in the 2011-12 fiscal year for repayments of	
29	prior year excess apportionments identified pursuant	
30	to audit or audit settlements identified as a result of	
31	audit investigations or inquiries.	
32	7. Of the funds appropriated in Schedule (4), \$828,000	
33	is to be provided to non-CSIS participating school	
34	districts for support of maintenance of individual stu-	
35	dent identifiers.	
36	8. As a condition of receiving funds appropriated in this	
37	item, the California School Information Services shall	
38	submit an expenditure plan with workload justification	
39	to the Department of Finance and the Legislative An-	
40	alyst's Office by December 1, 2012. The expenditure	

plan shall include, at a minimum, (a) positions filled and intended to be filled, (b) salaries and benefits, (c) external contracts, (d) other operating expenses, and (e) equipment needs. The workload information shall include, at a minimum, workload associated with maintenance of the California Longitudinal Pupil Achievement Data System (CALPADS) and assistance provided to local education agencies in transmission of data to CALPADS. The expenditure plan and workload data shall provide information for the prior year, current year, and budget year.

SEC. 47. Item 6110-140-0349 of Section 2.00 of the Budget Act of 2012 is amended to read:

6110-140-0349—For local assistance, Department of Education,	
for payment to Item 6110-140-0001, payable from the	
Educational Telecommunication Fund.....	1,257,000
	1,300,000

SEC. 48. Item 6110-156-0890 of Section 2.00 of the Budget Act of 2012 is amended to read:

6110-156-0890—For local assistance, Department of Education,	
Program 10.50.010.001-Adult Education, payable from	
the Federal Trust Fund.....	91,296,000

Provisions:

1. The State Department of Education shall reimburse claims on a quarterly basis from qualifying community-based organizations that provide adult basic education under this item.
2. (a) Notwithstanding any other provision of law, all nonlocal educational agencies (non-LEA) receiving greater than \$500,000 pursuant to this item shall submit an annual organizational audit, as specified, to the State Department of Education, Office of External Audits.

All audits shall be performed by one of the following: (1) a certified public accountant possessing a valid license to practice within California,

(2) a member of the department's staff of auditors, or (3) in-house auditors, if the entity receiving funds pursuant to this item is a public agency, and if the public agency has internal staff that performs auditing functions and meets the tests of independence found in Government Auditing Standards issued by the Comptroller General of the United States.

The audit shall be in accordance with State Department of Education audit guidelines and Office of Management and Budget (OMB), Circular No. A-133, Audits of States, Local Governments, and Non-Profit Organizations.

Non-LEA entities receiving funds pursuant to this item shall submit the annual audit no later than six months from the end of the agency fiscal year. If, for any reason, the contract is terminated during the contract period, the audit shall cover the period from the beginning of the contract through the date of termination.

Non-LEA entities receiving funds pursuant to this item shall be held liable for all department costs incurred in obtaining an independent audit if the contractor fails to produce or submit an acceptable audit.

- (b) Notwithstanding any other provision of law, the State Department of Education shall annually submit to the Governor, Joint Legislative Budget Committee, and Joint Legislative Audit Committee limited-scope audit reports of all subrecipients it is responsible for monitoring that receive between \$25,000 and \$500,000 of federal awards, and that do not have an organizationwide audit performed. These limited-scope audits shall be conducted in accordance with the State Department of Education audit guidelines and OMB, Circular No. A-133. The department may charge audit costs to applicable federal awards, as authorized by OMB, Circular No. A-133 Section 230(b)(2).

1 The limited-scope audits shall include agreed-
2 upon procedures engagements conducted in accord-
3 dance with either American Institute of Certified
4 Public Accountants (AICPA) generally accepted
5 auditing standards or attestation standards, and
6 address one or more of the following types of
7 compliance requirements: allowed or unallowed
8 activities, allowable costs and cost principles, eli-
9 gibility, matching, level of effort, earmarking, and
10 reporting.

11 The department shall contract for the limited-
12 scope audits with a certified public accountant
13 possessing a valid license to practice within the
14 state or with an independent auditor.

- 15 3. On or before March 1 of each year, the State Depart-
16 ment of Education shall report to the appropriate sub-
17 committees of the Assembly Committee on Budget
18 and the Senate Committee on Budget and Fiscal Re-
19 view on the following aspects of Title II of the federal
20 Workforce Investment Act of 1998 (P.L. 105-220):
21 (a) the makeup of those adult education providers that
22 applied for competitive grants under Title II and those
23 that obtained grants, by size, geographic location, and
24 type (school districts, community colleges, communi-
25 ty-based organizations, or other local entities), (b) the
26 extent to which participating programs were able to
27 meet planned performance targets, and (c) a break-
28 down of the types of courses (English as a Second
29 Language (ESL), ESL-Citizenship, adult basic educa-
30 tion, or adult secondary education) included in the
31 performance targets of participating agencies.
- 32 4. The State Department of Education shall continue to
33 ensure that outcome measures for State Department
34 of State Hospitals and State Department of Develop-
35 mental Services clients are set at a level where these
36 clients will continue to be eligible for adult education
37 services in the current fiscal year and beyond to the
38 full extent authorized under federal law. The State
39 Department of Education shall also consult with the
40 State Department of State Hospitals, State Department

of Developmental Services, and Department of Finance
for this purpose.

5. Of the funds appropriated in this item, \$5,594,000 is
provided in one-time carryover funds to support the
existing program.

6. *The State Department of Education shall revise the
Request for Application (RFA) for these funds for the
2013–14 grant cycle. The revisions shall include the
incorporation of core federal performance metrics
into the RFA, including placement in postsecondary
education, transition into employment, and retention
of employment included in the performance targets of
participating agencies. The WIA California State Plan
and the department’s adult education planning docu-
ment, “Linking Adults to Opportunity,” shall serve as
source documents of the new RFA.*

SEC. 49. *Item 6110-161-0001 of Section 2.00 of the Budget
Act of 2012 is amended to read:*

6110-161-0001—For local assistance, Department of Educa-	
tion (Proposition 98), Program 10.60-Special Education	
Programs for Exceptional Children.....	3,226,560,000
	3,220,353,000

Schedule:

(1) 10.60.050.003-Special education in-	
struction.....	3,180,260,000
	3,149,440,000

(2) 10.60.050.080-Early Education Program	
for Individuals with Exceptional	
Needs.....	60,695,000
	85,308,000

(3) Reimbursements for Early Education	
Program, Part C.....	–14,395,000

Provisions:

1. Funds appropriated by this item are for transfer by the
Controller to Section A of the State School Fund, in
lieu of the amount that otherwise would be appropriat-
ed for transfer from the General Fund in the State
Treasury to Section A of the State School Fund for

the 2012–13 fiscal year pursuant to Sections 14002 and 41301 of the Education Code, for apportionment pursuant to Part 30 (commencing with Section 56000) of Division 4 of Title 2 of the Education Code, superseding all prior law.

2. Of the funds appropriated in Schedule (1), up to \$13,208,000, plus any cost-of-living adjustment, shall be available for the purchase, repair, and inventory maintenance of specialized books, materials, and equipment for pupils with low-incidence disabilities, as defined in Section 56026.5 of the Education Code.
3. Of the funds appropriated in Schedule (1), up to \$10,081,000, plus any cost-of-living adjustment, shall be available for the purposes of vocational training and job placement for special education pupils through Project Workability I pursuant to Article 3 (commencing with Section 56470) of Chapter 4.5 of Part 30 of Division 4 of Title 2 of the Education Code. As a condition of receiving these funds, each local educational agency shall certify that the amount of nonfederal resources, exclusive of funds received pursuant to this provision, devoted to the provision of vocational education for special education pupils shall be maintained at or above the level provided in the 1984–85 fiscal year. The Superintendent of Public Instruction may waive this requirement for local educational agencies that demonstrate that the requirement would impose a severe hardship.
4. Of the funds appropriated in Schedule (1), up to \$5,258,000, plus any cost-of-living adjustment (COLA), shall be available for regional occupational centers and programs that serve pupils having disabilities; up to \$88,657,000, plus any COLA, shall be available for regionalized program specialist services; and up to \$2,699,000, plus any COLA, shall be available for small special education local plan areas (SELPAs) pursuant to Section 56836.24 of the Education Code.
5. Of the funds appropriated in Schedule (1), up to \$3,000,000 is provided for extraordinary costs associated with single placements in nonpublic, nonsectarian

1 schools, pursuant to Section 56836.21 of the Education
2 Code. Pursuant to legislation, these funds shall also
3 provide reimbursement for costs associated with pupils
4 residing in licensed children's institutes.

- 5 6. Of the funds appropriated in Schedule (1), up to
6 \$158,108,000, plus any cost-of-living adjustment
7 (COLA), is available to fund the costs of children
8 placed in licensed children's institutions who attend
9 nonpublic schools based on the funding formula autho-
10 rized in Chapter 914 of the Statutes of 2004.

- 11 7. Funds available for infant units shall be allocated with
12 the following average number of pupils per unit:

- 13 (a) For special classes and centers—16.
14 (b) For resource specialist programs—24.
15 (c) For designated instructional services—16.

- 16 8. Notwithstanding any other provision of law, early ed-
17 ucation programs for infants and toddlers shall be of-
18 fered for 200 days. Funds appropriated in Schedule
19 (2) shall be allocated by the State Department of Edu-
20 cation for the 2012–13 fiscal year to those programs
21 receiving allocations for instructional units pursuant
22 to Section 56432 of the Education Code for the Early
23 Education Program for Individuals with Exceptional
24 Needs operated pursuant to Chapter 4.4 (commencing
25 with Section 56425) of Part 30 of Division 4 of Title
26 2 of the Education Code, based on computing 200-day
27 entitlements. Notwithstanding any other provision of
28 law, funds in Schedule (2) shall be used only for the
29 purposes specified in Provisions 10 and 11.

- 30 9. Notwithstanding any other provision of law, state
31 funds appropriated in Schedule (2) in excess of the
32 amount necessary to fund the deficiated entitlements
33 pursuant to Section 56432 of the Education Code and
34 Provision 10 shall be available for allocation by the
35 State Department of Education to local educational
36 agencies for the operation of programs serving solely
37 low-incidence infants and toddlers pursuant to Title
38 14 (commencing with Section 95000) of the Govern-
39 ment Code. These funds shall be allocated to each local
40 educational agency for each solely low-incidence child

through age two in excess of the number of solely low-incidence children through age two served by the local educational agency during the 1992–93 fiscal year and reported on the April 1993 pupil count. These funds shall only be allocated if the amount of reimbursement received from the State Department of Developmental Services is insufficient to fully fund the costs of operating the Early Intervention Program, as authorized by Title 14 (commencing with Section 95000) of the Government Code.

10. The State Department of Education, through coordination with the special education local plan areas, shall ensure local interagency coordination and collaboration in the provision of early intervention services, including local training activities, child-find activities, public awareness, and the family resource center activities.
11. Funds appropriated in this item, unless otherwise specified, are available for the sole purpose of funding 2012–13 fiscal year special education program costs and shall not be used to fund any prior year adjustments, claims, or costs.
12. Of the amount provided in Schedule (1), up to \$188,000, plus any cost-of-living adjustment, shall be available to fully fund the declining enrollment of necessary small special education local plan areas pursuant to Chapter 551 of the Statutes of 2001.
13. Pursuant to Section 56427 of the Education Code, of the funds appropriated in Schedule (1), up to \$2,324,000 may be used to provide funding for infant programs, and may be used for those programs that do not qualify for funding pursuant to Section 56432 of the Education Code.
14. Of the funds appropriated in Schedule (1), up to \$29,478,000 shall be allocated to local educational agencies for the purposes of Project Workability I.
15. Of the funds appropriated in Schedule (1), up to \$1,700,000 shall be used to provide specialized services to pupils with low-incidence disabilities, as defined in Section 56026.5 of the Education Code.

- 1 16. Of the funds appropriated in Schedule (1), up to
2 \$1,117,000 shall be used for a personnel development
3 program. This program shall include state-sponsored
4 staff development for special education personnel to
5 have the necessary content knowledge and skills to
6 serve children with disabilities. This funding may in-
7 clude training and services targeting special education
8 teachers and related service personnel that teach core
9 academic or multiple subjects to meet the applicable
10 special education requirements of the federal Individ-
11 uals with Disabilities Education Act (20 U.S.C. Sec.
12 1400 et seq.).
- 13 17. Of the funds appropriated in Schedule (1), up to
14 \$200,000 shall be used for research and training in
15 cross-cultural assessments.
- 16 18. Of the amount appropriated in this item, up to
17 \$1,480,000 is available for the state's share of costs
18 in the settlement of Emma C. v. Delaine Eastin, et al.
19 (N.D. Cal. No. C96-4179TEH). The State Department
20 of Education shall report by January 1, 2013, to the
21 fiscal committees of both houses of the Legislature,
22 the Department of Finance, and the Legislative Ana-
23 lyst's Office on the planned use of the additional spe-
24 cial education funds provided to the Ravenswood Ele-
25 mentary School District pursuant to this settlement.
26 The report shall also provide the State Department of
27 Education's best estimate of when this supplemental
28 funding will no longer be required by the court. The
29 State Department of Education shall comply with the
30 requirements of Section 948 of the Government Code
31 in any further request for funds to satisfy this settle-
32 ment.
- 33 19. Of the funds appropriated in this item, up to
34 \$2,500,000 shall be allocated directly to special educa-
35 tion local plan areas for a personnel development
36 program that meets the highly qualified teacher require-
37 ments and ensures that all personnel necessary to carry
38 out this part are appropriately and adequately prepared,
39 subject to the requirements of paragraph (14) of subdivi-
40 sion (a) of Section 612 of the federal Individuals

1 with Disabilities Education Act (20 U.S.C. Sec. 1400
2 et seq.) and Section 2122 of the federal Elementary
3 and Secondary Education Act of 1965 (20 U.S.C. Sec.
4 6301 et seq.). The local in-service programs shall in-
5 clude a parent training component and may include a
6 staff training component, and may include a special
7 education teacher component for special education
8 service personnel and paraprofessionals, consistent
9 with state certification and licensing requirements.
10 Use of these funds shall be described in the local plans.
11 These funds may be used to provide training in alter-
12 native dispute resolution and the local mediation of
13 disputes. All programs are to include evaluation com-
14 ponents.

15 20. Notwithstanding any other provision of law, state
16 funds appropriated in Schedule (1) in excess of the
17 amount necessary to fund the defined entitlement shall
18 be to fulfill other shortages in entitlements budgeted
19 in this schedule by the State Department of Education,
20 upon Department of Finance approval, to any program
21 funded under Schedule (1).

22 21. Of the funds appropriated in Schedule (1), the amount
23 resulting from increases in federal funds reflected in
24 the calculation performed in paragraph (1) of subdivi-
25 sion (c) of Section 56836.08 of the Education Code
26 shall be allocated based on an equal amount per aver-
27 age daily attendance and added to each special educa-
28 tion local plan area's base funding, consistent with
29 paragraphs (1) to (4), inclusive, of subdivision (b) of
30 Section 56836.158 of the Education Code. When the
31 final amount is determined, the State Department of
32 Education shall provide this information to the Depart-
33 ment of Finance and the budget committees of each
34 house of the Legislature.

35 22. Of the amount specified in Schedule (1), ~~\$321,885,000~~
36 ~~\$348,189,000~~ shall be available only to provide educa-
37 tionally related mental health services, including out-
38 of-home residential services for emotionally disturbed
39 pupils, required by an individualized education pro-
40 gram pursuant to the federal Individuals with Disabil-

ities Education Act (20 U.S.C. Sec. 1400 et seq.) and as described in Section 56363 of the Education Code. The Superintendent of Public Instruction shall allocate these funds to special education local plan areas in the 2012–13 fiscal year based upon an equal rate per pupil using the methodology specified in Section 56836.07 of the Education Code.

23. Of the amount specified in Schedule (1), up to \$3,000,000 shall be made available to the Superintendent of Public Instruction, in collaboration with the Department of Finance and the Legislative Analyst, and subject to approval by the Department of Finance, to administer an extraordinary cost pool associated with educationally related mental health services, including out-of-home residential services for emotionally disturbed pupils, for necessary small special education local plan areas as defined in Section 56212 of the Education Code.

24. The funds appropriated in this item reflect an adjustment to the base funding of 0 percent for the annual adjustment in statewide average daily attendance.

25. Of the amount provided in Schedule (1), \$0 is to reflect a cost-of-living adjustment.

26. Of the amount provided in Schedule (2), \$0 is to reflect a cost-of-living adjustment.

~~27. Of the funds appropriated in Schedule (1), \$51,750,000 shall be available only for the purpose of providing educationally related mental health services, including out-of-home residential services for emotionally disturbed pupils, required by an individualized education program pursuant to the federal Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400 et seq.) and as described in Section 56363 of the Education Code. The Superintendent of Public Instruction shall allocate these funds to special education local plan areas on a one-time basis in the 2012–13 fiscal year as follows:~~

~~(a) The Superintendent of Public Instruction shall allocate these funds to each special education local plan area using data available from the California~~

Special Education Management Information System (CASEMIS) as of December 1, 2010. Each special education local plan area shall receive funding in an amount equal to the applicable of the following:

- (1) \$3,607 for each pupil whose individualized education program requires one or more of the following educationally related mental health services: individual counseling, counseling and guidance, parent counseling, social work services, or behavior intervention services.
 - (2) Twice the amount specified in paragraph (1) for each pupil whose individualized education program requires psychological services.
 - (3) Four times the amount specified in paragraph (1) for each pupil whose individualized education program requires day treatment services.
 - (4) Nine times the amount specified in paragraph (1) for each pupil whose individualized education program requires mental health related residential treatment services.
- (b) The Superintendent of Public Instruction shall count individual pupils in only one of the four categories set forth in paragraphs (1) to (4), inclusive, of subdivision (a), based on the most intensive level of services required by the pupil's individualized education program.
- (c) If the overall funding allocation is insufficient to fully fund the amount set forth in subdivision (a); or if there is excess funding available, the Superintendent of Public Instruction shall adjust the amount specified in paragraph (1) of subdivision (a), and the corresponding amounts specified in paragraphs (2) to (4), inclusive, of subdivision (a), in order to match the full allocation.
- (d) It is the intent of the Legislature that any funds appropriated for the 2013-14 fiscal year for the purpose of providing the educationally related

mental health services identified in this provision shall be allocated based on an equal rate per pupil using a methodology specified in Section 56836.07 of the Education Code and using average daily attendance for the 2012-13 fiscal year.

SEC. 50. Item 6110-161-0890 of Section 2.00 of the Budget Act of 2012 is amended to read:

6110-161-0890—For local assistance, Department of Education, payable from the Federal Trust Fund, Program 10.60-Special Education Programs for Exceptional Children..... ~~1,235,823,000~~
1,235,469,000

Schedule:

- (1) 10.60.050.012-Local Agency Entitlements, IDEA Special Education..... 1,047,814,000
- (2) 10.60.050.013-State Agency Entitlements, IDEA Special Education..... 1,759,000
- (3) 10.60.050.015-IDEA, Local Entitlements, Preschool Program..... 67,066,000
- (4) 10.60.050.021-IDEA, State Level Activities..... ~~76,768,000~~
76,414,000
- (5) 10.60.050.030-P.L. 99-457, Preschool Grant Program..... 36,117,000
- (6) 10.60.050.031-IDEA, State Improvement Grant, Special Education..... 3,405,000
- (7) 10.60.050.032-IDEA, Family Empowerment Centers..... 2,794,000
- (8) 20.80.002-Supplemental Grants: New-born Hearing Grant..... 100,000

Provisions:

- 2. The funds appropriated in Schedule (2) shall be distributed to state-operated programs serving disabled children from 3 to 21 years of age, inclusive. In accordance with federal law, the funds appropriated in Schedules (1) and (2) shall be distributed to local and state agencies on the basis of the federal Individuals

with Disabilities Education Act (20 U.S.C. Sec. 1400 et seq.) permanent formula.

3. Of the funds appropriated in Schedule (4), up to \$300,000 shall be used to develop and test procedures, materials, and training for alternative dispute resolution in special education.

4. Of the funds appropriated by Schedule (5) for the Preschool Grant Program, \$1,228,000 shall be used for in-service training and shall include a parent training component and may, in addition, include a staff training program. These funds may be used to provide training in alternative dispute resolution and the local mediation of disputes. This program shall include state-sponsored and local components.

5. Of the funds appropriated in this item, \$1,420,000 is available for local assistance grants to monitor local educational agency compliance with state and federal laws and regulations governing special education. This funding level is to be used to continue the facilitated reviews and, to the extent consistent with the key performance indicators developed by the State Department of Education, these activities shall focus on local educational agencies identified by the United States Department of Education's Office of Special Education Programs.

6. The funds appropriated in Schedule (7) shall be used for the purposes of Family Empowerment Centers on Disability pursuant to Chapter 690 of the Statutes of 2001.

7. Notwithstanding the notification requirements listed in subdivision (d) of Section 26.00, the Department of Finance is authorized to approve intraschedule transfers of funds within this item submitted by the State Department of Education for the purposes of ensuring that special education funding provided in this item is appropriated in accordance with the statutory funding formula required by the federal Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400 et seq.) and the special education funding formula required pursuant to Chapter 7.2 (commencing with

1 Section 56836) of Part 30 of Division 4 of Title 2 of
2 the Education Code, without waiting 30 days, but shall
3 provide a notice to the Legislature each time a transfer
4 occurs.

5 7.5. *Of the funds appropriated in Schedule (1), \$51,750,000*
6 *shall be available only for the purpose of providing*
7 *educationally related mental health services, including*
8 *out-of-home residential services for emotionally dis-*
9 *turbed pupils, required by an individualized education*
10 *program pursuant to the federal Individuals with*
11 *Disabilities Education Act (20 U.S.C. Sec. 1400 et*
12 *seq.) and as described in Section 56363 of the Educa-*
13 *tion Code. The Superintendent of Public Instruction*
14 *shall allocate these funds to special education local*
15 *plan areas on a one-time basis in the 2012–13 fiscal*
16 *year as follows:*

17 (a) *The Superintendent of Public Instruction shall*
18 *allocate these funds to each special education*
19 *local plan area using data available from the*
20 *California Special Education Management Infor-*
21 *mation System (CASEMIS) as of December 1,*
22 *2010. Each special education local plan area*
23 *shall receive funding in an amount equal to the*
24 *applicable of the following:*

25 (1) *\$3,607 for each pupil whose individualized*
26 *education program requires one or more of*
27 *the following educationally related mental*
28 *health services: individual counseling,*
29 *counseling and guidance, parent counseling,*
30 *social work services, or behavior intervention*
31 *services.*

32 (2) *Twice the amount specified in paragraph (1)*
33 *for each pupil whose individualized education*
34 *program requires psychological services.*

35 (3) *Four times the amount specified in paragraph*
36 *(1) for each pupil whose individualized edu-*
37 *cation program requires day treatment ser-*
38 *vices.*

39 (4) *Nine times the amount specified in paragraph*
40 *(1) for each pupil whose individualized edu-*

- 1 *cation program requires mental health-relat-*
- 2 *ed residential treatment services.*
- 3 (b) *The Superintendent of Public Instruction shall*
- 4 *count individual pupils in only one of the four*
- 5 *categories set forth in paragraphs (1) to (4), in-*
- 6 *clusive, of subdivision (a), based on the most in-*
- 7 *tensive level of services required by the pupil's*
- 8 *individualized education program.*
- 9 (c) *If the overall funding allocation is insufficient to*
- 10 *fully fund the amount set forth in subdivision (a),*
- 11 *or if there is excess funding available, the Super-*
- 12 *intendent of Public Instruction shall adjust the*
- 13 *amount specified in paragraph (1) of subdivision*
- 14 *(a), and the corresponding amounts specified in*
- 15 *paragraphs (2) to (4), inclusive, of subdivision*
- 16 *(a), in order to match the full allocation.*
- 17 (d) *It is the intent of the Legislature that any funds*
- 18 *appropriated for the 2013–14 fiscal year for the*
- 19 *purpose of providing the educationally related*
- 20 *mental health services identified in this provision*
- 21 *shall be allocated based on an equal rate per*
- 22 *pupil using a methodology specified in Section*
- 23 *56836.07 of the Education Code and using aver-*
- 24 *age daily attendance for the 2012–13 fiscal year.*
- 25 8. ~~Of the funds appropriated in Schedule (4), \$46,554,000~~
- 26 ~~\$17,250,000~~ *shall be available only for the purpose of*
- 27 *providing educationally related mental health services,*
- 28 *including out-of-home residential services for emotion-*
- 29 *ally disturbed pupils, required by an individualized*
- 30 *education program pursuant to the federal Individuals*
- 31 *with Disabilities Education Act of 2004 (20 U.S.C.*
- 32 *Sec. 1400 et seq.) and as described in Section 56363*
- 33 *of the Education Code. The Superintendent of Public*
- 34 *Instruction shall allocate these funds to special educa-*
- 35 *tion local plan areas in the 2012–13 fiscal year based*
- 36 *upon an equal rate per pupil using the methodology*
- 37 *specified in Section 56836.07 of the Education Code.*
- 38 9. *Of the funds appropriated in Schedule (6), \$2,192,000*
- 39 *is provided for scientifically based professional devel-*

1 opment as part of the State Personnel Development
2 grant.

- 3 10. Of the funds appropriated in Schedule (4), up to
4 \$3,894,000 shall be available for transfer to the State
5 Special Schools for student transportation allowances.
6 However, of these funds, the State Department of Ed-
7 ucation (SDE) shall obtain written approval from the
8 Department of Finance prior to spending \$924,000 to
9 address transportation contract increases resulting from
10 fuel and insurance costs. The Department of Finance
11 shall act within 30 days of receiving justification from
12 the SDE for the increased costs.

- 13 ~~11. Of the funds appropriated in Schedule (4), \$24,600,000~~
14 ~~shall be available to provide educationally related oc-~~
15 ~~cupational and physical therapy services required by~~
16 ~~an individualized education program pursuant to the~~
17 ~~federal Individuals with Disabilities Education Act~~
18 ~~(20 U.S.C. Sec. 1400 et seq.) and as described in Sec-~~
19 ~~tion 56363 of the Education Code. The Superintendent~~
20 ~~of Public Instruction shall allocate these funds to spe-~~
21 ~~cial education local plan areas based on an equal rate~~
22 ~~per pupil using the methodology specified in Section~~
23 ~~56836.07 of the Education Code.~~

- 24 ~~12. Of the funds appropriated in Schedule (4), up to~~
25 ~~\$2,154,000 shall be available in a one-time federal~~
26 ~~Individuals with Disabilities Education Act (IDEA)~~
27 ~~carryover.~~

- 28 13. Of the funds appropriated in Schedule (6), \$1,213,000
29 is available in one-time carryover funds to support the
30 state personnel development contract with the Napa
31 County Office of Education.

- 32 14. *Of the funds appropriated in Schedule (4), \$1,800,000*
33 *in federal Individuals with Disabilities Education Act*
34 *(IDEA) carryover funds shall be available for transfer*
35 *to backfill a General Fund reduction for State Special*
36 *Schools for discretionary deferred maintenance pro-*
37 *jects on a one-time basis.*

38
39 SEC. 51. *Item 6110-194-0001 of Section 2.00 of the Budget*
40 *Act of 2012 is amended to read:*

1	6110-194-0001—For local assistance, Department of Education,	
2	for allocation by the Superintendent of Public Instruction	
3	to school districts, county offices of education, and other	
4	agencies for child care and development programs included	
5	in this item, in lieu of the amount that otherwise would be	
6	appropriated pursuant to any other statute.....	800,603,000
7		770,603,000
8	Schedule:	
9	(1.5) 30.10.020-Child Care Services.....	1,359,885,000
10		1,329,885,000
11	(a) 30.10.020.001-Spe-	
12	cial Program, Child	
13	Development, Gen-	
14	eral Child Develop-	
15	ment Programs.....	481,618,000
16		464,913,000
17	(c) 30.10.020.004-Spe-	
18	cial Program, Child	
19	Development, Mi-	
20	grant Day Care.....	26,993,000
21		26,056,000
22	(d) 30.10.020.007-Spe-	
23	cial Program, Child	
24	Development, Alter-	
25	native Payment Pro-	
26	gram.....	201,004,000
27		194,031,000
28	(e) 30.10.020.011-Spe-	
29	cial program, Child	
30	Development Alter-	
31	native Payment Pro-	
32	gram—Stage 2.....	419,286,000
33	(f) 30.10.020.012-Spe-	
34	cial program, Child	
35	Development Alter-	
36	native Payment Pro-	
37	gram—Stage 3 Seta-	
38	side.....	153,758,000
39		148,425,000

1	(g) 30.10.020.008-Spe-	
2	cial Program, Child	
3	Development, Re-	
4	source and Refer-	
5	ral.....	18,688,000
6	(j) 30.10.020.096-Special	
7	Program, Child Devel-	
8	opment, Allowance for	
9	Handicapped.....	1,504,000
10		<i>1,452,000</i>
11	(k) 30.10.020.106-Special	
12	Program, Child Devel-	
13	opment, California	
14	Child Care Initia-	
15	tive.....	225,000
16	(l) 30.10.020.901-Spe-	
17	cial Program, Child	
18	Development, Quali-	
19	ty Improvement.....	49,490,000
20	(n) 30.10.020.920-Special	
21	Program, Child Devel-	
22	opment, Local Plan-	
23	ning Councils.....	3,319,000
24	(o) 30.10.020.014-Special	
25	Program, Child Devel-	
26	opment, Accounts	
27	Payable.....	4,000,000
28	(3) Amount payable from the Federal	
29	Trust Fund (Item 6110-194-0890).....	-559,282,000
30	Provisions:	
31	1. Funds in Schedule (1.5)(l) shall be reserved for activ-	
32	ities to improve the quality and availability of child	
33	care, pursuant to the following:	
34	(a) \$2,085,639 is for the schoolage care and resource	
35	and referral earmark.	
36	(b) \$11,698,772 is for the infant and toddler earmark	
37	and shall be used for increasing the supply of	
38	quality child care for infants and toddlers.	
39	(c) \$3,014,000 in one-time federal funding is avail-	
40	able for use in the 2012-13 fiscal year. These	

funds shall be used for child care and development quality expenditures identified by the State Department of Education and approved by the Department of Finance.

- (d) From the remaining funds in Schedule (1.5)(l), the following amounts shall be allocated for the following purposes: \$8,000,000 from federal funds for contracting with the State Department of Social Services for increased inspections of child care facilities; \$960,000 for Trustline registration workload (Chapter 3.35 (commencing with Section 1596.60) of Division 2 of the Health and Safety Code); and \$455,000 for health and safety training for licensed and exempt child care providers. Of the amounts specified in this provision, first priority shall be to fully fund Trustline registration workload as determined by the State Department of Social Services in conjunction with the State Department of Education.

- 3. Nonfederal funds appropriated in this item which have been budgeted to meet the state's Temporary Assistance for Needy Families maintenance-of-effort requirement established pursuant to the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193) may not be expended in any way that would cause their disqualification as a federally allowable maintenance-of-effort expenditure.
- 4. Notwithstanding Section 8278.3 of the Education Code or any other provision of law, up to \$5,000,000 of the Child Care Facilities Revolving Fund balance may be allocated for use on a one-time basis for renovations and repairs to meet health and safety standards, to comply with the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12101 et seq.), and to perform emergency repairs, that were the result of an unforeseen event and are necessary to maintain continued normal operation of the child care and development program. These funds shall be made available to school districts and contracting agencies that provide subsidized center-based services pursuant to the Child

Care and Development Services Act (Chapter 2 (commencing with Section 8200) of Part 6 of Division 1 of Title 1 of the Education Code).

5. Notwithstanding any other provision of law, funds in Schedule (1.5)(o) are available for accounts payable for alternative payment programs for actual and allowable costs incurred for additional services, pursuant to Section 8222.1 of the Education Code. The State Department of Education shall give priority for the allocation of these funds for accounts payable.
6. The amounts provided in Schedules (1.5)(a), (1.5)(c), (1.5)(d), and (1.5)(j) of this item reflect an adjustment to the base funding of -0.25 percent for ~~an increase a~~ *decrease* in the population of 0-4 year-olds.
7. The maximum standard reimbursement rate shall not exceed \$34.38 per day for general child care programs. Furthermore, the migrant child care and Cal-SAFE child care programs shall adhere to the maximum standard reimbursement rates as prescribed for the general child care programs. All other rates and adjustment factors shall conform.
8. (a) Alternative payment child care programs shall be subject to the rate ceilings established in the Regional Market Rate Survey of California child care and development providers for provider payments. When approved pursuant to Section 8447 of the Education Code, any changes to the market rate limits, adjustment factors, or regions shall be utilized by the State Department of Education, the California Community Colleges, and the State Department of Social Services in various programs under the jurisdiction of these departments.
- (b) The funds appropriated in this item for the cost of licensed child care services provided through alternative payment or voucher programs, including those provided under Article 3 (commencing with Section 8220) and Article 15.5 (commencing with Section 8350) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code, shall be

1 used only to reimburse child care costs up to the
2 85th percentile of the rates charged by providers
3 offering the same type of child care for the same
4 age child in that region, based on the 2005 Region-
5 al Market Rate Survey data.

- 6 (c) The funds appropriated in this item for the cost
7 of license-exempt child care services provided
8 through alternative payment or voucher programs,
9 including those provided under Article 3 (com-
10 mencing with Section 8220) and Article 15.5
11 (commencing with Section 8350) of Chapter 2 of
12 Part 6 of Division 1 of Title 1 of the Education
13 Code, shall be used only to reimburse license-ex-
14 empt child care costs up to 60 percent of the re-
15 gional reimbursement rate limits established for
16 family child care homes.

- 17 9. Of the amount appropriated in Schedule (1.5)(I),
18 \$10,750,000 shall be for child care worker recruitment
19 and retention programs pursuant to Section 8279.7 of
20 the Education Code, and \$291,000 shall be for the
21 Child Development Training Consortium.

- 22 10. (a) The State Department of Education (SDE) shall
23 conduct monthly analyses of CalWORKs Stage
24 2 and Stage 3 caseloads and expenditures and
25 adjust agency contract maximum reimbursement
26 amounts and allocations as necessary to ensure
27 funds are distributed proportionally to need. The
28 SDE shall share monthly caseload analyses with
29 the State Department of Social Services (DSS).

- 30 (b) The SDE shall provide quarterly information re-
31 garding the sufficiency of funding for Stage 2 and
32 Stage 3 to DSS. The SDE shall provide caseloads,
33 expenditures, allocations, unit costs, family fees,
34 and other key variables and assumptions used in
35 determining the sufficiency of state allocations.
36 Detailed backup by month and on a county-by-
37 county basis shall be provided to the DSS at least
38 on a quarterly basis for comparisons with Stage
39 1 trends.

(c) By September 30 and March 30 of each year, the SDE shall ensure that detailed caseload and expenditure data, through the most recent period for Stage 2 and Stage 3 along with all relevant assumptions, is provided to DSS to facilitate budget development. The detailed data provided shall include actual and projected monthly caseload from Stage 2 scheduled to time off of their transitional child care benefit from the last actual month reported by agencies through the next two fiscal years as well as local attrition experience. DSS shall utilize data provided by the SDE, including key variables from the prior fiscal year and the first two months of the current fiscal year, to provide coordinated estimates in November of each year for each of the three stages of care for preparation of the Governor's Budget, and shall utilize data from at least the first two quarters of the current fiscal year, and any additional monthly data as they become available for preparation of the May Revision. The DSS shall share its assumptions and methodology with the SDE in the preparation of the Governor's Budget.

(d) The SDE shall coordinate with the DSS to identify annual general subsidized child care program expenditures for Temporary Assistance for Needy Families-eligible children. The SDE shall modify existing reporting forms as necessary to capture this data.

(e) The SDE shall provide to the DSS, upon request, access to the information and data elements necessary to comply with federal reporting requirements and any other information deemed necessary to improve estimation of child care budgeting needs.

11. Notwithstanding any other provision of law, the funds in Schedule (1.5)(f) are reserved exclusively for continuing child care for the following: (a) former CalWORKs families who are working, have left cash aid, and have exhausted their two-year eligibility for tran-

sitional services in either Stage 1 or 2 pursuant to subdivision (c) of Section 8351 or Section 8353 of the Education Code, respectively, but still meet eligibility requirements for receipt of subsidized child care services, and (b) families who received lump-sum diversion payments or diversion services under Section 11266.5 of the Welfare and Institutions Code and have spent two years in Stage 2 off of cash aid, but still meet eligibility requirements for receipt of subsidized child care services.

12. Notwithstanding any other provision of law, each local planning council shall meet the requirements of Section 8499.5 of the Education Code to the extent feasible and to the extent data is readily accessible.
13. Notwithstanding any other provision of law, the implementation of Provisions 15 and 16 is not subject to the appeal and resolution procedures for agencies that contract with the State Department of Education for the provision of child care services or the due process requirements afforded to families that are denied services specified in Chapter 19 (commencing with Section 18000) of Division 1 of Title 5 of the California Code of Regulations.
14. Notwithstanding the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code), the State Department of Education may implement Provisions 15 and 16 through management bulletins or similar instructions.
15. The amounts appropriated in Schedules (1.5)(a), General Child Care, (1.5)(c), Migrant Day Care, (1.5)(d), Alternative Payment Program, (1.5)(f), CalWORKs Stage 3, and (1.5)(j), Allowance for Handicapped, reflect a reduction effective July 1, 2012, to all contracts of ~~5.5~~ 8.7 percent. The State Department of Education may consider the contractor's performance or whether the contractor serves children in underserved areas as defined in subdivision (ag) of Section 8208 of the Education Code when determining contract reductions, provided that the aggregate reduc-

tion to each program specified above is ~~5.5~~ 8.7 percent effective July 1, 2012.

16. Notwithstanding any other provision of law, families shall be disenrolled from subsidized child care services consistent with the priorities for services specified in subdivision (b) of Section 8263 of the Education Code. Families shall be disenrolled in the following order: (a) families with the highest income below 70 percent of the State Median Income (SMI) adjusted for family size, (b) of families with the same income level, those that have been receiving child care services for the longest period of time, (c) of families with the same income level, those that have a child with exceptional needs, and (d) families with children who are receiving child protective services or are at risk of being neglected or abused, regardless of family income.

SEC. 52. Item 6110-211-0001 of Section 2.00 of the Budget Act of 2012 is amended to read:

6110-211-0001—For local assistance, Department of Education (Proposition 98), for transfer to Section A of the State School Fund, Categorical Programs for Charter Schools, in accordance with Section 47634.1 of the Education Code.....	276,518,000
	330,235,000
Schedule:	
(1) 20.60.036.003-Instructional Support:	
Categorical Programs for Charter Schools.....	190,627,000
	224,420,000
(2) 20.60.036.006-Instructional Support:	
Economic Impact Aid for Charter Schools.....	85,891,000
	105,815,000

Provisions:

1. The State Department of Education shall provide an estimate of average daily attendance expected to be claimed for this item for the 2013–14 fiscal year to the Department of Finance and the Legislative Ana-

lyst's Office by October 1 of each year, for use in developing the Governor's Budget. The State Department of Education shall provide an update of the estimate by March 31 of each year, for preparation of the May Revision.

2. An additional \$5,947,000 in expenditures for Schedule (1) has been deferred until the 2013–14 fiscal year.
3. Funds appropriated in Schedule (1) are provided solely for the purpose for which categorical block grants are calculated pursuant to paragraph (1) of subdivision (c) of Section 47634.1 of the Education Code. Funds appropriated in Schedule (2) are provided solely for the purpose for which categorical block grants are calculated pursuant to paragraph (2) of subdivision (c) of Section 47634.1 of the Education Code.
4. The Department of Finance may transfer funds between Schedules (1) and (2) as needed to ensure that the Charter School Categorical Block Grant is funded consistent with the provisions of Section 47634.1 of the Education Code, provided that the total amount allocated to charter schools in Schedule (1) is the result of applying the same proportional cut that other categorical programs received pursuant to Section 12.42 of this act. The Department of Finance may not authorize such a transfer sooner than 30 days after notifying the Chairperson of the Joint Legislative Budget Committee in writing of the necessity to authorize the transfer.
5. The amount appropriated in Schedule (1) shall be reduced pursuant to Section 12.42.
6. *Of the funds provided in this item, \$53,717,000 is available to provide a growth adjustment.*

SEC. 53. Item 6110-295-0001 of Section 2.00 of the Budget Act of 2012 is amended to read:

1	6110-295-0001—For local assistance, Department of Education	
2	(<i>Proposition 98</i>), for transfer to Section A of the State	
3	School Fund, for reimbursement, in accordance with the	
4	provisions of Section 6 of Article XIII B of the California	
5	Constitution or Section 17561 of the Government Code,	
6	of the cost of any new program or increased level of service	
7	of an existing program mandated by statute or executive	
8	order, for disbursement by the Controller.....	36,000
9	Schedule:	
10	(1) 98.01.003.677-Consolidation of Annual	
11	Parent Notification/Schoolsite Discipline	
12	Rules/Alternative Schools (Ch. 36, Stats.	
13	1977, et al.) (CSM 4445, 4453, 4461,	
14	4462, 4474, 4488, 97-TC-24, 99-TC-09,	
15	00-TC-12).....	1,000
16	(2) 98.01.009.894-Caregiver Affidavits (Ch.	
17	98, Stats. 1994) (CSM 4497).....	1,000
18	(3) 98.01.048.675-Mandate Reimbursement	
19	Process (Ch. 486, Stats. 1975) (CSM	
20	4485).....	1,000
21	(4) 98.01.049.802-Notification of Truancy	
22	(Ch. 498, Stats. 1983) (CSM 4133).....	1,000
23	(5) 98.01.049.803-Pupil Suspensions, Expul-	
24	sions, Expulsion Appeals (Ch. 498,	
25	Stats. 1983, et al.) (CSM 4455, 4456,	
26	and 4463).....	1,000
27	(6) 98.01.078.192-Charter Schools I, II, and	
28	III (Ch. 781, Stats. 1992) (CSM 4437 et	
29	al., 99-TC-03/99-TC-14).....	1,000
30	(7) 98.01.081.891-AIDS Instruction I and	
31	AIDS Prevention Instruction II (Ch. 818,	
32	Stats. 1991; Ch. 403, Stats. 1998) (CSM	
33	4422; 99-TC-07, 00-TC-01).....	1,000
34	(8) 98.01.096.175-Collective Bargaining	
35	(Ch. 961, Stats. 1975) (CSM 4425, 97-	
36	TC-08).....	1,000
37	(9) 98.01.096.577-Pupil Health Screenings	
38	(Ch. 1208, Stats. 1976) (CSM 4440).....	1,000

1	(10) 98.01.097.595-Physical Performance	
2	Tests (Ch. 975, Stats. 1995) (96-365-	
3	01).....	1,000
4	(11) 98.01.101.184-Juvenile Court Notices	
5	II (Ch. 1011, Stats. 1984; Ch. 1423,	
6	Stats. 1984) (CSM 4475).....	1,000
7	(12) 98.01.110.784-Removal of Chemicals	
8	(Ch. 1107, Stats. 1984) (CSM 4211,	
9	4298).....	0
10	(13) 98.01.111.789-Consolidation of Law	
11	Enforcement Agency Notifications	
12	(LEAN) and Missing Children Reports	
13	(MCR) (Ch. 1117, Stats. 1989) (CSM	
14	4505, 4505-2).....	1,000
15	(14) 98.01.117.677-Immunization Records	
16	(Ch. 1176, Stats. 1977) (SB 90-120)....	1,000
17	(15) 98.01.118.475-Habitual Truants (Ch.	
18	1184, Stats. 1975) (CSM 4487, 4487-	
19	A).....	1,000
20	(16) 98.01.130.689-Consolidation of Notifi-	
21	cation to Teachers: Pupils Subject to	
22	Suspension or Expulsion I and II, and	
23	Pupil Discipline Records (Ch. 1306,	
24	Stats. 1989) (CSM 4452).....	1,000
25	(17) 98.01.134.780-Scoliosis Screening (Ch.	
26	1347, Stats. 1980) (CSM 4195).....	0
27	(18) 98.01.030.995-Pupil Residency Verifi-	
28	cation and Appeals (Ch. 309, Stats.	
29	1995) (96-384-01).....	0
30	(19) 98.01.058.897-Criminal Background	
31	Checks I (Ch. 558, Stats. 1997) (97-TC-	
32	16)	1,000
33	(20) 98.01.083.194-School Bus Safety I and	
34	II (Ch. 624, Stats. 1992; Ch. 831, Stats.	
35	1994; Ch. 739, Stats. 1997) (97-TC-	
36	22).....	0
37	(21) 98.01.064.186-Open Meetings/Brown	
38	Act (Ch. 641, Stats. 1986) (CSM	
39	4257).....	1,000

1	(22) 98.01.361.977-Financial and Compli-	
2	ance Audits (Ch. 36, Stats. 1977) (CSM	
3	4498, 4498-A).....	1,000
4	(23) 98.01.064.097-Physical Education Re-	
5	ports (Ch. 640, Stats. 1997) (98-TC-	
6	08).....	0
7	(24) 98.01.112.096-Health Benefits for Sur-	
8	vivors of Peace Officers and Firefighters	
9	(Ch. 1120, Stats. 1996) (97-TC-25).....	0
10	(25) 98.01.091.787-County Office of Educa-	
11	tion Fiscal Accountability Reporting	
12	(Ch. 917, Stats. 1987, et al.) (97-TC-	
13	20).....	1,000
14	(26) 98.01.010.081-School District Fiscal	
15	Accountability Reporting (Ch. 100,	
16	Stats. 1981) (97-TC-19).....	1,000
17	(27) 98.01.012.693-Law Enforcement Sexual	
18	Harassment Training (Ch. 126, Stats.	
19	1993) (97-TC-07).....	0
20	(28) 98.01.078.495-County Treasury With-	
21	drawals (Ch. 784, Stats. 1995) (96-365-	
22	03).....	0
23	(29) 98.01.073.697-Comprehensive School	
24	Safety Plans (Ch. 736, Stats. 1997) (98-	
25	TC-01, 99-TC-10).....	1,000
26	(30) 98.01.032.578-Immunization Records—	
27	Hepatitis B (Ch. 325, Stats. 1978; Ch.	
28	435, Stats. 1979) (98-TC-05).....	1,000
29	(31) 98.01.119.280-School District Reorga-	
30	nization (Ch. 1192, Stats. 1980; Ch.	
31	1186, Stats. 1994) (98-TC-24).....	1,000
32	(32) 98.01.059.498-Criminal Background	
33	Checks II (Ch. 594, Stats. 1998, Ch.	
34	840, Stats. 1998, Ch. 78, Stats. 1999)	
35	(00-TC-05).....	1,000
36	(33) 98.01.117.096-Grand Jury Proceedings	
37	(Ch. 1170, Stats. 1996, et al.) (98-TC-	
38	27).....	0

1	(34) 98.01.074.398-Pupil Promotion and	
2	Retention (Ch. 100, Stats. 1981, et al.)	
3	(98-TC-19).....	1,000
4	(35) 98.01.030.098-Differential Pay and Re-	
5	employment (Ch. 30, Stats. 1998) (99-	
6	TC-02).....	1,000
7	(36) 98.01.007.778-Absentee Ballots (Ch.	
8	77, Stats. 1978; Ch. 1032, Stats. 2002)	
9	(02-PGA-02).....	1,000
10	(37) 98.01.089.300-Agency Fee Arrange-	
11	ments (Ch. 893, Stats. 2000; Ch. 805,	
12	Stats. 2001) (00-TC-17 and 01-TC-	
13	14).....	1,000
14	(38) 98.01.498.083-The Stull Act (Ch. 498,	
15	Stats. 1983; Ch. 4, Stats. 1999) (98-TC-	
16	25).....	1,000
17	(39) 98.01.124.992-Threats Against Peace	
18	Officers (Ch. 1249, Stats. 1992 et al.)....	1,000
19	(40) 98.01.060.394-CA State Teachers Re-	
20	irement System Services Credit (Ch.	
21	603, Stats. 1994 et al.) (02-TC-19).....	1,000
22	(41) 98.01.498.830-Pupil Safety Notices	
23	(Ch. 498, Stats. 1983 et al.) (02-TC-	
24	13).....	1,000
25	(42) 98.01.146.389-School Accountability	
26	Report Cards II & III (Ch. 912, Stats.	
27	1997 et al.) (00-TC-09/00-TC-13; 02-	
28	TC-32).....	1,000
29	(43) 98.01.124.978-Prevailing Wage (Ch.	
30	1249, Stats. 1978) (01-TC-28).....	1,000
31	(44) 98.01.016.193-Intradistrict Attendance	
32	(Ch. 161, Stats. 1993) (CSM 4454)....	1,000
33	(45) 98.01.013.599-California High School	
34	Exit Examination (Ch. 135, Stats. 1999)	
35	(00-TC-06).....	1,000
36	(46) 98.01.059.389-Student Records (Ch.	
37	593, Stats. 1989) (02-TC-34).....	0
38	Provisions:	
39	1. Pursuant to Section 17581.5 of the Government Code,	
40	mandates included in the language of this item are	

specifically identified by the Legislature for suspension during the 2012–13 fiscal year:

- (12) 98.01.110.784-Removal of Chemicals (Ch. 1107, Stats. 1984) (CSM 4211, 4298)
- (17) 98.01.134.780-Scoliosis Screening (Ch. 1347, Stats. 1980) (CSM 4195)
- (18) 98.01.030.995-Pupil Residency Verification and Appeals (Ch. 309, Stats. 1995) (96-384-01)
- (20) 98.01.083.194-School Bus Safety I and II (Ch. 624, Stats. 1992; Ch. 831, Stats. 1994; Ch. 739, Stats. 1997) (97-TC-22)
- (23) 98.01.064.097-Physical Education Reports (Ch. 640, Stats. 1997) (98-TC-08)
- (24) 98.01.112.096-Health Benefits for Survivors of Peace Officers and Firefighters (Ch. 1120, Stats. 1996) (97-TC-25)
- (27) 98.01.012.693-Law Enforcement Sexual Harassment Training (Ch. 126, Stats. 1993) (97-TC-07)
- (28) 98.01.078.495-County Treasury Withdrawals (Ch. 784, Stats. 1985) (96-365-03)
- (33) 98.01.117.096-Grand Jury Proceedings (Ch. 1170, Stats. 1996) (98-TC-27)
- ~~(46) 98.01.059.389-Student Records (Ch. 593, Stats. 1989) (02-TC-34)~~

2. If the amount appropriated in this item is less than the amount required to fund eligible claims contained in this item, the Controller shall prorate the payments accordingly.

SEC. 54. Item 6110-488 of Section 2.00 of the Budget Act of 2012 is amended to read:

- 6110-488—Reappropriation, Department of Education.
- Notwithstanding any other provision of law, the balances from the following items are available for reappropriation for the purposes specified in Provisions 1 to 8, inclusive:
- 0001—General Fund
- (1) \$171,000 or whatever greater or lesser amount of the unexpended balance of the amount appropriated for English Language Learners Best Practices for Improv-

- 1 ing Achievement in paragraph (13) of subdivision (a)
2 of Section 43 of Chapter 79 of the Statutes of 2006
3 (2) \$492,000 or whatever greater or lesser amount of the
4 unexpended balance of the amount appropriated for
5 the California English Language Development Test
6 in Item 6110-113-0001 of the Budget Act of 2009 (Ch.
7 1, 2009–10 3rd Ex. Sess., as revised by Ch. 1, 2009–10
8 4th Ex. Sess.)
9 (3) \$91,000 or whatever greater or lesser amount of the
10 unexpended balance of the amount appropriated for
11 Educational Services for Foster Youth in Item 6110-
12 119-0001 of the Budget Act of 2009 (Ch. 1, 2009–10
13 3rd Ex. Sess., as revised by Ch. 1, 2009–10 4th Ex.
14 Sess.)
15 (4) \$550,000 or whatever greater or lesser amount of the
16 unexpended balance of the amount appropriated for
17 the Economic Impact Aid program in Item 6110-128-
18 0001 of the Budget Act of 2009 (Ch. 1, 2009–10 3rd
19 Ex. Sess., as revised by Ch. 1, 2009–10 4th Ex. Sess.)
20 (6) \$7,732,000 or whatever greater or lesser amount of
21 the unexpended balance of the amount appropriated
22 for Home to School Transportation in Item 6110-650-
23 0001, pursuant to Section 5 of Chapter 3 of the
24 2009–10 Fourth Extraordinary Session, as amended
25 by Chapter 31 of the 2009–10 Third Extraordinary
26 Session
27 (7) \$8,000 or whatever greater or lesser amount of the
28 unexpended balance of the amount appropriated for
29 the Special Education Program in Item 6110-650-0001,
30 pursuant to Section 5 of Chapter 3 of the 2009–10
31 Fourth Extraordinary Session, as amended by Chapter
32 31 of the 2009–10 Third Extraordinary Session
33 (8) \$90,000 or whatever greater or lesser amount of the
34 unexpended balance of the amount appropriated for
35 California Partnership Academies in Item 6110-650-
36 0001, pursuant to Section 5 of Chapter 3 of the
37 2009–10 Fourth Extraordinary Session, as amended
38 by Chapter 31 of the 2009–10 Third Extraordinary
39 Session

- 1 (11) \$1,630,000 or whatever greater or lesser amount of
2 the unexpended balance of the amount allocated for
3 Categorical Programs for New Charter Schools in
4 Provision 2 of Item 6110-488 of the Budget Act of
5 2010 (Ch. 712, Stats. 2010)
- 6 (12) \$272,000 or whatever greater or lesser amount of the
7 unexpended balance of the amount appropriated for
8 Supplemental Instruction in paragraph (2) of subdivi-
9 sion (a) of Section 38 of Chapter 12 of the Statutes of
10 2009
- 11 (13) \$89,000 or whatever greater or lesser amount of the
12 unexpended balance of the amount appropriated for
13 preschool education and child care programs in
14 Schedules (1) and (1.5) of Item 6110-196-0001 of the
15 Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)
- 16 (14) \$259,000 or whatever greater or lesser amount of the
17 unexpended balance of the amount appropriated for
18 child care programs in ~~Schedule~~ *Schedules (1) and*
19 *(1.5)* of Item 6110-196-0001 of the Budget Act of
20 2008 (Chs. 268 and 269, Stats. 2008)
- 21 (16) \$221,000 or whatever greater or lesser amount of the
22 unexpended balance of the amount appropriated for
23 Home to School Pupil Transportation in Schedule (1)
24 of Item 6110-111-0001 of the Budget Act of 2009
25 (Ch. 1, 2009–10 3rd Ex. Sess., as revised by Ch. 1,
26 2009–10 4th Ex. Sess.)
- 27 (17) \$351,000 or whatever greater or lesser amount of the
28 unexpended balance of the amount appropriated for
29 Assessment Review and Reporting in Schedule (1) of
30 Item 6110-113-0001 of the Budget Act of 2009 (Ch.
31 1, 2009–10 3rd Ex. Sess., as revised by Ch. 1,
32 2009–10 4th Ex. Sess.)
- 33 (18) \$768,000 or whatever greater or lesser amount of the
34 unexpended balance of the amount appropriated for
35 Economic Impact Aid for Charter Schools in Schedule
36 (2) of Item 6110-211-0001 of the Budget Act of 2009
37 (Ch. 1, 2009–10 3rd Ex. Sess., as revised by Ch. 1,
38 2009–10 4th Ex. Sess.)
- 39 (19) \$22,000 or whatever greater or lesser amount of the
40 unexpended balance of the amount appropriated for

- 1 the Charter School Facility Grant Program in Item
- 2 6110-220-0001 of the Budget Act of 2009 (Ch. 1,
- 3 2009–10 3rd Ex. Sess., as revised by Ch. 1, 2009–10
- 4 4th Ex. Sess.)
- 5 (20) \$811,000 or whatever greater or lesser amount of the
- 6 unexpended balance of the amount appropriated for
- 7 Assessment Review and Reporting in Schedule (1) of
- 8 Item 6110-113-0001 of the Budget Act of 2010 (Ch.
- 9 712, Stats. 2010)
- 10 (21) \$7,000 or whatever greater or lesser amount of the
- 11 unexpended balance of the amount appropriated for
- 12 Statewide Testing and Reporting in Schedule (2) of
- 13 Item 6110-113-0001 of the Budget Act of 2010 (Ch.
- 14 712, Stats. 2010)
- 15 (22) \$70,000 or whatever greater or lesser amount of the
- 16 unexpended balance of the amount appropriated for
- 17 the High School Exit Examination in Schedule (4) of
- 18 Item 6110-113-0001 of the Budget Act of 2010 (Ch.
- 19 712, Stats. 2010)
- 20 (23) \$16,000 or whatever greater or lesser amount of the
- 21 unexpended balance of the amount appropriated for
- 22 Foster Youth in Item 6110-119-0001 of the Budget
- 23 Act of 2010 (Ch. 712, Stats. 2010)
- 24 (24) \$230,000 or whatever greater or lesser amount of the
- 25 unexpended balance of the amount appropriated for
- 26 California School Information Services administration
- 27 in Provision 2 of Item 6110-485 of the Budget Act of
- 28 2011 (Ch. 33, Stats. 2011)
- 29 (25) \$504,000 or whatever greater or lesser amount reflects
- 30 the unexpended balance of the amount appropriated
- 31 for the After School Education and Safety Program
- 32 in Item 6110-651-0001, pursuant to Section 5 of
- 33 Chapter 3 of the Statutes of 2009, Fourth Extraordi-
- 34 nary Session, as amended by Chapter 31 of the
- 35 Statutes of 2009, Third Extraordinary Session
- 36 (26) \$116,000 or whatever greater or lesser amount of the
- 37 unexpended balance of the amount appropriated for
- 38 the Child Nutrition School Breakfast and Summer
- 39 Food Service Programs in Item 6110-201-0001 of the

- 1 Budget Act of 2009 (Ch. 1, 2009–10 3rd Ex. Sess.,
2 as revised by Ch. 1, 2009–10 4th Ex. Sess.)
3 (27) \$7,000 or whatever greater or lesser amount of the
4 unexpended balance of the amount appropriated for
5 the Class Size Reduction Program in Item 6110-234-
6 0001 of the Budget Act of 2009 (Ch. 1, 2009–10 3rd
7 Ex. Sess., as revised by Ch. 1, 2009–10 4th Ex. Sess.)
8 (28) \$22,000 or whatever greater or lesser amount of the
9 unexpended balance of the amount appropriated for
10 the California Partnership Academies in Schedule (1)
11 of Item 6110-166-0001 of the Budget Act of 2010
12 (Ch. 712, Stats. 2010)
13 (29) \$11,000 or whatever greater or lesser amount of the
14 unexpended balance of the amount appropriated for
15 special education mental health services in Item 6110-
16 488 of the Budget Act of 2010 (Ch. 712, Stats. 2010)
17 (30) \$449,000 or whatever greater or lesser amount of the
18 unexpended balance of the amount appropriated for
19 California School Information Services administration
20 in Provision 3 of Item 6110-488 of the Budget Act of
21 2011 (Ch. 33, Stats. 2011)

22 Provisions:

- 23 3. The sum of \$499,000 is hereby reappropriated to the
24 State Department of Education for transfer by the
25 Controller to Section A of the State School Fund for
26 allocations by the Superintendent of Public Instruction
27 to support California School Information Services ac-
28 tivities authorized pursuant to Schedule (1) of Item
29 6110-140-0001.
30 5. The sum of \$2,563,000 is hereby reappropriated to the
31 State Department of Education for transfer by the
32 Controller to Section A of the State School Fund for
33 allocations by the Superintendent of Public Instruction
34 to support California School Information Services ac-
35 tivities authorized pursuant to Schedule (2) of Item
36 6110-140-0001.
37 6. The sum of \$827,000 is hereby reappropriated to the
38 State Department of Education for transfer by the
39 Controller to Section A of the State School Fund for
40 allocations by the Superintendent of Public Instruction

to the Fiscal Crisis and Management Assistance Team for the support of the California School Information Services activities authorized pursuant to Schedule (4) of Item 6110-140-0001.

7. The sum of \$3,000,000 is hereby reappropriated to the State Department of Education for transfer by the Controller to Section A of the State School Fund for allocation by the Superintendent of Public Instruction to contract for the shift of the annual census administration of the California English Language Development Test pursuant to Chapter 634 of the Statutes of 2011 and is contingent upon federal approval of a contract amendment to implement the shift.

8. The sum of \$8,100,000 is hereby reappropriated to the State Department of Education for transfer by the Controller to Section A of the State School Fund for allocation by the Superintendent of Public Instruction for the department to conduct a Request for Application process to select a local education agency to monitor and support regional services and to provide administration of the Advancement Via Individualized Individual Determination (AVID) centers for the AVID program. Of the funds appropriated, \$1,155,000 is available for administration of the AVID Center to support and monitor regional services and \$6,945,000 is available to support regional services for the AVID program.

SEC. 55. Item 6110-496 of Section 2.00 of the Budget Act of 2012 is amended to read:

6110-496—Reversion, Department of Education.

Provisions:

1. The Superintendent of Public Instruction is hereby authorized to initiate the reversion of appropriations in cases where the balance available for reversion is less than \$50,000, and either of the following applies:
 - (a) The program in question has expired.
 - (b) The Superintendent of Public Instruction certifies that the original purpose of the appropriation

would not be accomplished by further expenditure.

2. The State Department of Education may periodically review its accounts at the Controller's office to identify appropriations that meet these criteria. Upon the request of the State Department of Education, the Director of Finance may issue an Executive order to revert identified appropriations. The Controller shall timely revert appropriations identified in the Executive order to the fund from which the appropriation was originally made (or a successor fund in the case of an expired fund), or to the Proposition 98 Reversion Account, whichever is appropriate.

3. ~~The sum of \$10,335,000 is hereby appropriated from the Proposition 98 Reversion Account to the State Department of Education for transfer by the Controller to Section A of the State School Fund for allocations by the Superintendent of Public Instruction to support special education authorized pursuant to Schedule (1) of Item 6110-161-0001.~~

4. The sum of \$1,947,000 is hereby appropriated from the Proposition 98 Reversion Account to the State Department of Education for transfer by the Controller to Section A of the State School Fund for allocations by the Superintendent of Public Instruction to support California School Information services activities authorized pursuant to Schedule (2) of Item 6110-140-0001.

SEC. 56. Item 6440-001-0001 of Section 2.00 of the Budget Act of 2012 is amended to read:

6440-001-0001—For support of University of California..... 2,053,750,000

Schedule:

(1) Support..... 2,053,750,000

Provisions:

1. The appropriations made in this item are exempt from Section 31.00.
2. None of the funds appropriated in this item may be expended to initiate major capital outlay projects by

contract without prior legislative approval, except for cogeneration and energy conservation projects. Funds appropriated in this item may be used for capital expenditures as well as payment of debt service for such exempted capital projects. Exempted projects shall be reported in a manner consistent with the reporting procedures in subdivision (e) of Section 28.00.

Funds appropriated in this item may be used for capital expenditures as well as payment of debt service associated with the Energy Partnership Program, whereby the University of California will receive financial incentives from state investor-owned utilities to undertake energy conservation projects. The use of state operations funding for these energy savings projects may not infringe on the university's funding for its instructional support activities. The Director of Finance may authorize program expenditures for the list of planned projects not sooner than 30 days after notification in writing is provided to the chairpersons of the committees in each house of the Legislature that consider appropriations, the chairpersons of the committees and the appropriate subcommittees in each house of the Legislature that consider the State Budget, and the Chairperson of the Joint Legislative Budget Committee. The list of planned projects submitted for approval for a given funding cycle should be all inclusive and may include projects that eventually may not be initiated during that funding cycle. A project not included on the list of planned projects for that funding cycle, but with which the university wishes to proceed during the budget year, may be treated as an exempted project as described above and reported in a manner consistent with the reporting procedures in subdivision (e) of Section 28.00. No later than November 15 of each year, the university shall prepare a report describing the identified projects funded under the Energy Partnership Program in the prior year. The report shall include the cost of each project, how the cost is being funded, including the amount funded from support budget funds and investor-owned utility incentive

- 1 awards, and the projected amount of energy savings.
2 These reports will sunset at the end of the program.
- 3 3. The funds appropriated in this item shall not be avail-
4 able to support auxiliary enterprises or intercollegiate
5 athletics programs.
- 6 5. Of the funds appropriated in this item, \$8,301,000 is
7 for support of University of California programs of
8 clinical health sciences education, research, and public
9 service, conducted in conjunction with the Charles R.
10 Drew University of Medicine and Science, as provided
11 in Sections 1, 2, and 3 of Chapter 1140 of the Statutes
12 of 1973. Of the funds appropriated in this item,
13 \$475,000 is contingent upon the provision by the
14 University of California of an equal amount of
15 matching funds from its own resources.
- 16 6. Of the funds appropriated in this item, \$52,199,000 is
17 for support of Program 45, Student Financial Aid, to
18 provide financial aid to needy students attending the
19 University of California, according to the nationally
20 accepted needs analysis methodology.
- 21 7. Of the funds appropriated in this item, \$1,726,018 is
22 for the California State Summer School for Mathemat-
23 ics and Science (COSMOS). As a condition of General
24 Fund support for COSMOS, the University of Califor-
25 nia may not charge a tuition fee for California residents
26 that exceeds \$2,810 per session in the year 2012, and
27 may not increase this tuition fee by greater than 5
28 percent each year thereafter. The University of Califor-
29 nia shall report on the outcomes and effectiveness of
30 COSMOS every five years, commencing April 1,
31 2011.
- 32 8. Of the funds appropriated in this item, \$885,375 is
33 provided to continue support for science and math re-
34 source centers to implement the Science and Math
35 Teacher Initiative. The University of California (UC)
36 shall report to the Legislature and the Governor by
37 February 1 of each year on its progress toward increas-
38 ing the quality and supply of science and mathematics
39 teachers resulting from implementation of the Science
40 and Math Teacher Initiative. This report shall include

the following information: (a) annual number of mathematics and science teachers awarded credentials (by each UC campus) beginning with the 2004–05 academic year (before the state first provided funding for the initiative), (b) an expenditure plan on the use of the funds appropriated in this item, (c) the effectiveness of the initiative’s different components and activities, including an identification of best practices, and (d) the job placement of students who earn a mathematics or science teaching credential, including the location of the K–12 school of employment and whether it is in an urban, rural, or suburban setting.

9. Of the funds appropriated in this item, \$2,025,000 is to support 135 full-time equivalent students in the Program in Medical Education (PRIME) at the Irvine, Davis, San Diego, San Francisco, and Los Angeles campuses. The primary purpose of this program is to train physicians specifically to serve in underrepresented communities. The University of California shall report to the Legislature by March 15, 2013, on (a) its progress in implementing the PRIME program and (b) the use of the total funds provided for this program from both state and nonstate resources.

10. (a) The amount in Schedule (1) includes \$1,720,000 to continue increased enrollments in nursing programs beyond the levels served in 2005–06 as follows:

(1) \$1,617,000 for full cost of a minimum of 122 full-time equivalent students in entry-level clinical nursing programs and entry-level master’s degree nursing programs.

(2) \$103,000 for supplemental marginal cost funding for 20 master’s degree level nursing students.

(b) The University of California shall report to the Legislature and the Governor by May 1, 2013, on the total enrollment in the 2012–13 academic year in the baccalaureate nursing degree programs, the entry-level clinical and master’s degree nursing

- 1 programs, and the master's of science in nursing
2 degree programs.
- 3 11. Of the funds appropriated in this item, \$8,753,000 is
4 for research related to Acquired Immune Deficiency
5 Syndrome (AIDS).
- 6 12. Of the funds appropriated in this item, \$5,000,000, is
7 for the California Subject Matter Projects.
- 8 13. ~~If budget reductions are triggered due to voter rejection~~
9 ~~of The Schools and Local Public Safety Protection~~
10 ~~Act of 2012 (Attorney General reference number 12-~~
11 ~~0009) the Director of Finance reduces appropriations~~
12 ~~pursuant to subdivision (a) of Section 3.62, the Univer-~~
13 ~~sity of California shall not make budget reductions to~~
14 ~~the Student Academic Preparation and Education~~
15 ~~Programs (SAPEP), that is greater, proportionally,~~
16 ~~than the reduction in overall General Fund support for~~
17 ~~the university. This provision does not apply to the~~
18 ~~Preuss School. The university shall submit a report on~~
19 ~~funding levels of SAPEP to the fiscal committees of~~
20 ~~each house of the Legislature no later than April 1,~~
21 ~~2013.~~
- 22 14. Of the funds appropriated in this item, \$5,200,000 is
23 the annual incremental adjustment for retiree health
24 and dental benefit cost increases. In providing funding
25 in 2012–13, it is the intent of the Legislature to provide
26 similar adjustments on an ongoing annual basis in fu-
27 ture years.
- 28 15. The Legislature expects the University of California
29 to enroll a total of 209,977 state-supported full-time
30 equivalent students during the 2012–13 academic year.
31 This enrollment target does not include nonresident
32 students and students enrolled in nonstate supported
33 summer programs. The University of California shall
34 report to the Legislature by May 1, 2013, on whether
35 it has met the 2012–13 academic year enrollment goal.
- 36 16. Of the funds appropriated in Schedule (1), \$51,500,000
37 is intended to address a portion of the University of
38 California's (UC) employer pension contribution costs
39 for the University of California Retirement Plan
40 (UCRP). This amount is only intended to help address

UC's employer pension cost increases that are attributable to state ~~GF~~ *General Fund* and tuition-funded employees. The use of this funding for this purpose in 2012–13 does not constitute an obligation on behalf of the state to provide funding after the 2012–13 fiscal year for any UCRP costs. The amount of state funding for UCRP provided by the state in future budget years, if any, shall be determined annually by the Legislature.

17. (a) Notwithstanding any other law, the University of California shall not expend moneys appropriated from the General Fund in the annual Budget Act to contract out for services currently or customarily performed by nonacademic employees to achieve cost savings in instances other than the following:

- (1) If all the following conditions are met:

- (A) The University of California (UC) or the contracting agency clearly demonstrates that the proposed contract will result in actual overall cost savings to the UC, provided that:

- (i) In comparing costs, there shall be included the UC's additional cost of providing the same service as proposed by the contractor. These additional costs shall include the salaries and benefits of additional staff that would be needed and the cost of additional space, equipment, and materials needed to perform the function.

- (ii) In comparing costs, there shall not be included the UC's indirect overhead costs unless these costs can be attributed solely to the function in question and would not exist if that function was not performed by the UC. Indirect overhead costs shall mean the pro rata share of existing administrative salaries and benefits, rent, equipment costs, utilities, and materials.

- (iii) In comparing costs, there shall be included in the cost of a contractor providing a service

any UC costs that would be directly associated with the contracted function. These continuing UC costs shall include, but not be limited to, those for inspection, supervision, and monitoring.

(B) Proposals to contract out work shall not be approved solely on the basis that savings will result from lower contractor pay rates or benefits. Proposals to contract out work shall be eligible for approval if the contractor's wages are at the industry's level and do not undercut UC pay rates.

(C) The contract does not cause the displacement of UC employees. The term "displacement" includes layoff, demotion, involuntary transfer to a new classification, involuntary transfer to a new location requiring a change of residence, and time-base reductions. Displacement does not include changes in shifts or days off, nor does it include reassignment to other positions within the same classification and general location or employment with the contractor, so long as wages and benefits are comparable to those paid by the UC.

(D) The savings shall be large enough to ensure that they will not be eliminated by private sector and UC cost fluctuations that could normally be expected during the contracting period.

(E) The amount of savings clearly justify the size and duration of the contracting agreement.

(F) The contract is awarded through a publicized, competitive bidding process.

(G) The contract includes specific provisions pertaining to the qualifications of the staff that will perform the work under the contract, as well as assurance that the contractor's hiring practices meet applicable nondiscrimination standards.

- (H) The potential for future economic risk to the UC from potential contractor rate increases is minimal.
- (I) The contract is with a firm. A “firm” means a corporation, limited liability company, partnership, nonprofit organization, or sole proprietorship.
- (J) The potential economic advantage of contracting is not outweighed by the public’s interest in having a particular function performed directly by the UC.
- (2) If any of the following conditions are met:
- (A) The services contracted are not available within the UC, cannot be performed satisfactorily by UC employees, or are of such a highly specialized or technical nature that the necessary expert knowledge, experience, and ability are not available through the UC.
- (B) The services are incidental to a contract for purchase or lease ~~or~~ of real or personal property. Contracts under this criterion, known as “service agreements,” shall included, but not be limited to, agreements to service or maintain office equipment or computers that are leased or rented.
- (C) The policy, administrative, or legal goals and purposes of the UC cannot be accomplished through the utilization of persons selected pursuant to the regular or ordinary hiring process. Contracts are permissible under this criterion to protect against a conflict of interest or to ensure independent and unbiased findings in cases where there is a clear need for a different, outside perspective. These contracts shall include, but not be limited to, obtaining expert witnesses in litigation.
- (D) The nature of the work is such that the criteria for emergency appointments apply. “Emergency appointment” means an appointment made for a period not to exceed 60 working

1 days either during an actual emergency to
2 prevent the stoppage of public business or
3 because of the limited duration of the work.
4 The method of selection and the qualification
5 standards for an emergency employee shall
6 be determined by the UC. The frequency of
7 appointment, length of appointment, and the
8 circumstances appropriate shall be restricted
9 so as to prevent the use of emergency appoint-
10 ments to circumvent the regular or ordinary
11 hiring process.

12 (E) The contractor will provide equipment, mate-
13 rials, facilities, or support services that could
14 not feasibly be provided by the UC in the lo-
15 cation where the services are to be performed.

16 (F) The services are of such an urgent, tempo-
17 rary, or occasional nature that the delay in-
18 cumbent in their implementation under the
19 UC's regular or ordinary hiring process
20 would ~~frustration~~ *frustrate* their very purpose.

21 (b) This section shall apply to personal service con-
22 tracts entered into after January 1, 2013. This
23 section shall not apply to the renewal of a personal
24 services contract subsequent to January 1, 2013,
25 if the contract was entered into before January 1,
26 2013, irrespective of whether the contract is re-
27 newed or rebid with the existing contractor or
28 with a new contractor unless it has been signifi-
29 cantly expanded.

30 (c) The University of California shall annually post
31 both of the following on its Internet Web site:

32 (1) The number of, and contract amounts for,
33 contracts entered into during the prior fiscal
34 year, for services currently or customarily
35 performed by nonacademic employees, to
36 achieve cost savings.

37 (2) If compliance with (a) was required for the
38 prior fiscal year, findings regarding how the
39 University of California complied with that
40 provision.

SEC. 57. Item 6610-001-0001 of Section 2.00 of the Budget Act of 2012 is amended to read:

6610-001-0001—For support of California State University.... 1,936,597,000

Schedule:

(1) Support..... 1,936,597,000

Provisions:

1. The appropriations made in this item are exempt from Section 31.00, except as otherwise provided by the applicable sections of the Government Code referred to in Section 31.00.

2. Of the amount appropriated in this item, \$350,000 is for transfer to the Affordable Student Housing Revolving Fund for the purpose of subsidizing interest costs in connection with bond financing for construction of affordable student housing at the Fullerton and East Bay campuses in accordance with Article 3 (commencing with Section 90085) of Chapter 8 of Part 55 of Division 8 of Title 3 of the Education Code.

5. Of the funds appropriated in this item, \$2,713,000 is provided to continue support for enhancing the capacity of science and math teacher credential programs to implement the Science and Math Teacher Initiative. The California State University (CSU) shall report to the Legislature and the Governor by May 1 of each year on its progress toward increasing the quality and supply of science and mathematics teachers resulting from implementation of the Science and Math Teacher Initiative. This report shall include the following information: (a) annual number of mathematics and science teachers awarded credentials (by each CSU campus) beginning with the 2004–05 academic year (before the state first provided funding for the initiative), (b) an expenditure plan on the use of the funds appropriated in this item, (c) the effectiveness of the initiative’s different components and activities, including an identification of best practices, and (d) the job placement of students who earn a math or science teaching credential, including the location of the K–12 school

1 of employment and whether it is in an urban, rural, or
2 suburban setting.

- 3 6. (a) Of the funds appropriated in this item, \$6,251,000
4 is provided to continue increased enrollments in
5 nursing programs beyond the levels served in
6 2005–06 as follows:

7 (1) \$560,000 for supplemental marginal cost
8 funding for 280 full-time equivalent students
9 (FTES) in entry-level master's degree nursing
10 programs pursuant to Article 8 (commencing
11 with Section 89270) of Chapter 2 of Part 55
12 of Division 8 of Title 3 of the Education
13 Code.

14 (2) \$1,720,000 for full cost of a minimum of 163
15 FTES in entry-level master's degree nursing
16 programs.

17 (3) \$371,000 for full cost of 35 FTES in baccalau-
18 reate degree nursing programs.

19 (4) \$3,600,000 for full cost of 340 FTES in bac-
20 calaureate degree nursing programs.

- 21 (b) The California State University shall report to the
22 Legislature and the Governor by May 1, 2013, on
23 the total enrollment in the 2011–12 academic year
24 in the baccalaureate nursing degree and entry-
25 level master's degree nursing programs.

- 26 7. Of the funds appropriated in this item, \$33,785,000 is
27 provided for student financial aid grants. These finan-
28 cial aid funds shall be provided to needy students ac-
29 cording to the nationally accepted needs analysis
30 methodology.

- 31 8. ~~If budget reductions are triggered due to voter rejection~~
32 ~~of The Schools and Local Public Safety Protection~~
33 ~~Act of 2012 (Attorney General reference number 12-~~
34 ~~0009) the Director of Finance reduces appropriations~~
35 ~~pursuant to subdivision (a) of Section 3.62, the Cali-~~
36 ~~fornia State University (CSU) shall not make budget~~
37 ~~reductions to any individual student academic prepa-~~
38 ~~ration and outreach programs program that is greater,~~
39 ~~proportionally, than the reduction in overall General~~
40 ~~Fund support for the university. The university shall~~

submit a report on the reduction made to these programs to the fiscal committees of each house of the Legislature no later than April 1, 2013.

9. Of the funds appropriated in this item, \$1,100,000 is the annual incremental adjustment for retiree dental benefit cost increases. In providing this funding in 2012–13, it is the intent of the Legislature to provide similar adjustments on an ongoing annual basis in future years.

10. The Legislature expects the California State University to enroll a total of 331,716 state-supported FTES during the 2012–13 academic year. This enrollment target does not include nonresident students and students enrolled in nonstate supported summer programs. The California State University shall report to the Legislature by May 1, 2013, on whether it has met the 2012–13 academic year enrollment goal.

11. Notwithstanding Section 89704 of the Education Code or any other provision of law, the Chancellor of the California *State* University may transfer such balances he or she deems necessary from the State University Continuing Education Revenue Fund or any other revenues received from extension programs and other self-supporting instructional programs to the California State University Trust Fund, or to trust accounts pursuant to Section 89721 of the Education Code, for expenditure in order to mitigate impacts to state-supported instructional programs that would result from reductions in state General Fund appropriations for support of the university. ~~The chancellor~~ *Chancellor* shall report within 10 days to the Director of Finance and to the Chairperson of the Joint Legislative Budget Committee on any amounts transferred pursuant to this provision. The Chancellor shall report to the Director of Finance and to the Chairperson of the Joint Legislative Budget Committee by June 30, 2013, the impact of any transfer on self-supporting instructional programs and related fees. This provision is operative on December 15, 2012, unless The Schools and Local Public Safety Protection Act of 2012 (Attorney Gener-

1 ~~at reference number 12-0009) is approved by the voters~~
 2 ~~at the November 6, 2012, general election shall only~~
 3 ~~become operative if the Director of Finance reduces~~
 4 ~~appropriations pursuant to subdivision (a) of Section~~
 5 3.62. If this provision is operative on December 15,
 6 2012, it is the intent of the Legislature that the author-
 7 ity is one-time in nature and effective only for the
 8 2012–13 fiscal year.

9
 10 *SEC. 58. Item 6645-001-0001 of Section 2.00 of the Budget*
 11 *Act of 2012 is amended to read:*

12
 13 6645-001-0001—For support of health benefits for California
 14 State University annuitants. For the state’s contribution
 15 for the cost of a health benefits plan for annuitants and
 16 other employees, in accordance with Sections 22820,
 17 22879, 22881, 22883, and 22953 of the Government Code,
 18 which cost is not chargeable to any other appropriation.... 260,149,000
 19 240,255,000

20 Provisions:

- 21 1. The maximum transfer amounts specified in subdivi-
 22 sion (c) of Section 26.00 do not apply to this item.
- 23 2. Notwithstanding Section 22844 of the Government
 24 Code or any other provision of law, annuitants and
 25 their family members who were employed by the
 26 California State University, and who become eligible
 27 for Part A and Part B of Medicare during the 2012–13
 28 fiscal year, shall not be enrolled in a basic health ben-
 29 efits plan during the 2012–13 fiscal year. If the annui-
 30 tant or family member is enrolled in Part A or Part B
 31 of Medicare, he or she may enroll in a supplement to
 32 the Medicare plan. This provision does not apply to
 33 employees and family members who are specifically
 34 excluded from enrollment in a supplement to the
 35 Medicare plan by federal law or regulation.
- 36 3. The maximum monthly contribution for an annuitant’s
 37 health benefits plan shall be \$566 for a single enrollee,
 38 \$1,074 for an enrollee and one dependent, and \$1,382
 39 for an enrollee and two or more dependents for the
 40 2012 calendar year. The maximum monthly contribu-

tion shall be adjusted based on Section 22871 of the Government Code to reflect the health benefit plan premium rates approved by the Board of Administration of the Public Employees' Retirement System for the 2013 calendar year.

4. Notwithstanding any other provision of law, upon approval of the Director Finance, expenditure authority may be transferred between Item 9650-001-0001 and this item as necessary to fund costs for health benefits.

SEC. 59. Item 6870-101-0001 of Section 2.00 of the Budget Act of 2012 is amended to read:

6870-101-0001—For local assistance, Board of Governors of the California Community Colleges (Proposition 98)..... ~~1,523,454,000~~
1,550,927,000

Schedule:

- (1) 10.10.010-Appportionments..... ~~1,111,825,000~~
1,139,298,000
- (2) 20-Special Services..... 0
- (3) 10.10.020-Apprenticeship..... 7,174,000
- (4) 10.10.030-Growth for Appportionments..... 0
- (5) 20.10.004-Student Success for Basic Skills Students..... 20,037,000
- (6) 20.10.005-Student Financial Aid Administration..... 71,025,000
- (7) 20.10.020-Disabled Students..... 69,223,000
- (8) 20.10.045-Special Services for Cal-WORKs Recipients..... 26,695,000
- (9) 20.10.060-Foster Care Education Program..... 5,254,000
- (10) 20.10.070-Matriculation..... 49,183,000
- (11) 20.20.020-Academic Senate for the Community Colleges..... 318,000
- (12) 20.20.041-Equal Employment Opportunity pursuant to Ch. 1169, Stats. 2002..... 767,000

1	(13) 20.20.050-Part-time Faculty Health In-	
2	surance.....	490,000
3	(14) 20.20.051-Part-time Faculty Compensa-	
4	tion.....	24,907,000
5	(15) 20.20.055-Part-time Faculty Office	
6	Hours.....	3,514,000
7	(16) 20.30.011-Telecommunications and	
8	Technology Services.....	15,290,000
9	(17) 20.30.050-Economic Development.....	22,929,000
10	(18) 20.30.070-Transfer Education and Artic-	
11	ulation.....	698,000
12	(19) 20.40.026-Physical Plant and Instruc-	
13	tional Support.....	0
14	(20) 20.10.010-Extended Opportunity Pro-	
15	grams and Services and Special Ser-	
16	vices.....	73,605,000
17	(21) 20.30.045-Fund for Student Success....	3,792,000
18	(22) 20.70.010-Career Technical Educa-	
19	tion.....	0
20	(23) 20.80.010-Campus Child Care Tax	
21	Bailout.....	3,350,000
22	(24) 20.95.010-Nursing Program Support....	13,378,000
23	Provisions:	
24	1. The funds appropriated in this item are for transfer by	
25	the Controller during the 2012–13 fiscal year to Sec-	
26	tion B of the State School Fund.	
27	3. The funds appropriated in Schedule (1) for apportion-	
28	ments include \$31,409,000 to encourage district-level	
29	accountability efforts pursuant to Section 84754.5 of	
30	the Education Code. It is intended that the Office of	
31	the Chancellor of the California Community Colleges	
32	submit an annual report on district-specific account-	
33	ability measures by March 31 of each year. This report	
34	shall reflect the outcomes from the most recently	
35	completed fiscal year for which data is available pur-	
36	suant to Section 84754.5 of the Education Code.	
37	13. Notwithstanding any other provision of law, apportion-	
38	ment funding for community college districts shall be	
39	based on the greater of the current year or prior year	
40	level of full-time equivalent students (FTES), consis-	

tent with K–12 declining enrollment practices pursuant to Section 42238.5 of the Education Code. Decreases in FTES shall result in a revenue reduction at the district’s average level of apportionment funding per FTES and shall be made in the year following the initial year of decrease in FTES.

14. Of the funds appropriated in Schedule (1), Apportionments:

(a) Up to \$100,000 is for a maintenance allowance, pursuant to Section 54200 of Title 5 of the California Code of Regulations.

(b) Up to \$500,000 is to reimburse colleges for the costs of federal aid repayments related to assessed fees for fee waiver recipients. This reimbursement only applies to students who completely withdraw from college before the census date pursuant to Section 58508 of Title 5 of the California Code of Regulations.

15. Notwithstanding any other provision of law, the Chancellor of the California Community Colleges shall not reduce district workload obligations for a lack of a funded cost-of-living adjustment.

16. (a) The amount appropriated in Schedule (3) for the Apprenticeship Program shall be available as necessary upon certification by the Chancellor of the California Community Colleges for the purpose of funding community college-related and supplemental instruction pursuant to Section 3074 of the Labor Code, as provided in Section 8152 of the Education Code. No community college district shall use funds available under this provision to offer any new apprenticeship training program or the expansion of any existing program unless the new program or expansion has been approved by the chancellor.

(b) Notwithstanding Section 8152 of the Education Code, each 60-minute hour of teaching time devoted to each indentured apprentice enrolled in and attending classes of related and supplemental instruction as provided under Section 3074 of the

1 Labor Code shall be reimbursed at the rate of
2 \$5.04 per hour. For purposes of this provision,
3 each hour of teaching time may include up to 10
4 minutes for passing time and breaks.

- 5 17. Funds appropriated in Schedule (4), Growth for Ap-
6 portionments, shall be available first to any districts
7 bringing online newly accredited colleges or California
8 Postsecondary Education Commission-approved edu-
9 cational centers. It is the intent of the Legislature that
10 increases in basic foundation allocations to each col-
11 lege be funded prior to additional growth in full-time
12 equivalent students. The Chancellor of the California
13 Community Colleges shall provide a report by
14 November 1 of each year, to the Department of Fi-
15 nance and the Legislative Analyst, on the number of
16 new centers and colleges added for the current fiscal
17 year and those anticipated to be added for the
18 prospective budget year. This report shall also detail
19 the specific funding adjustments provided for basic
20 foundation allocations to each college and center for
21 the current fiscal year.

- 22 18. Notwithstanding any other provision of law, funds
23 appropriated in Schedule (4), Growth for Apportion-
24 ments, shall only be allocated for growth in full-time
25 equivalent students (FTES), on a district-by-district
26 basis, as determined by the Chancellor of the Califor-
27 nia Community Colleges. The chancellor shall not in-
28 clude any FTES from concurrent enrollment in physi-
29 cal education, dance, recreation, study skills, and per-
30 sonal development courses and other courses in con-
31 flict with existing law for the purpose of calculating
32 a district's three-year overcap adjustment. The Board
33 of Governors of the California Community Colleges
34 shall implement the criteria required by subdivision
35 (a) of Provision 5 of Item 6870-101-0001 of the Bud-
36 get Act of 2003 (Ch. 157, Stats. 2003) for the alloca-
37 tion of funds appropriated in Schedules (1) and (3) of
38 this item, so as to ensure that courses related to student
39 needs for transfer, basic skills, and vocational/work-
40 force training are accorded the highest priority and are

provided to the maximum extent possible within budgeted funds.

19. The funds appropriated in Schedule (5), Student Success for Basic Skills Students, shall be allocated as follows:

- (a) \$969,000 for faculty and staff development to improve curriculum, instruction, student services, and program practices in the areas of basic skills and English as a Second Language (ESL) programs. The Office of the Chancellor of the California Community Colleges shall select a district, utilizing a competitive process, to carry out these faculty and staff development activities. All colleges receiving funds pursuant to subdivision (b) shall be provided with the opportunity to participate in the faculty and staff development programs specified in this subdivision. The chancellor shall report on the use of these funds by the selected district to the Legislative Analyst and the Department of Finance not later than September 1 of each year.
- (b) \$19,068,000 for allocation by the chancellor to community college districts for improving outcomes of students who enter college needing at least one course in ESL or basic skills, with particular emphasis on students transitioning from high school.
- (c) Funding specified in subdivisions (a) and (b) shall be distributed to eligible applicants pursuant to Chapter 489 of the Statutes of 2007.
- (d) The Office of the Chancellor of the California Community Colleges shall work jointly with the Department of Finance and the Legislative Analyst to evaluate and refine, as necessary, the annual accountability measures for this program. It is the intent of the Legislature that annual performance accountability measures for this program utilize, to the extent possible, data available as part of the accountability system developed pursuant to Section 84754.5 of the Education Code.

1 By September 1, 2010, the chancellor shall submit
2 a report to the Governor and the Legislature on
3 basic skills accountability using system- and col-
4 lege-level data and an annual report each year
5 thereafter by September 1.

6 20. (a) Of the funds appropriated in Schedule (6) for
7 Student Financial Aid Administration, not less
8 than \$16,920,000 is available to provide \$0.91
9 per unit reimbursement to community college
10 districts for the provision of board of governors
11 (BOG) fee waiver awards pursuant to paragraph
12 (2) of subdivision (m) of Section 76300 of the
13 Education Code.

14 (b) Of the funds appropriated in Schedule (6), not
15 less than \$17,105,000 is available to provide reim-
16 bursement of 2 percent of total waiver value to
17 community college districts for the provision of
18 BOG fee waiver awards pursuant to paragraph
19 (2) of subdivision (m) of Section 76300 of the
20 Education Code.

21 (c) Funding provided to community college districts
22 in subdivisions (a) and (b) is provided to directly
23 offset any mandated costs claimed by community
24 college districts pursuant to Commission on State
25 Mandates Test Claims 99-TC-13 (Enrollment Fee
26 Collection) and 00-TC-15 (Enrollment Fee
27 Waivers).

28 (d) (1) Of the amount appropriated in Schedule (6),
29 \$2,800,000 shall be for a contract with a
30 community college district to conduct a
31 statewide media campaign to promote the
32 general message to prospective students as
33 follows: (A) the California Community Col-
34 leges (CCC) remain affordable, (B) financial
35 aid tax credits are available to cover enroll-
36 ment fees and help with books and other
37 costs, and (C) the active encouragement of
38 contact between pupils and local CCC finan-
39 cial aid offices. Any funds used from this
40 source to produce radio, television, or mail

1 campaigns must emphasize the availability
2 of financial aid, the easiest and most reliable
3 method of accessing the aid, a contact tele-
4 phone number, an Internet Web site address,
5 where applicable, and the physical location
6 of a financial aid office. Any mail campaign
7 must give priority to existing pupils, recent
8 high school graduates, and 12th graders. The
9 outreach and information campaign should
10 target its efforts in high schools, welfare of-
11 fices, unemployment offices, churches,
12 community centers, and any other location
13 that will most effectively reach low-income
14 and disadvantaged students who must over-
15 come barriers in accessing postsecondary
16 education. The community college district
17 awarded the contract shall consult with the
18 Chancellor of the California Community
19 Colleges and the Student Aid Commission
20 prior to performing any activities to ensure
21 appropriate coordination with any other state
22 efforts in this area and ensure compliance
23 with this provision.

- 24 (2) Of the amount appropriated in Schedule (6),
25 not more than \$34,200,000 shall be for direct
26 contact with potential and current financial
27 aid applicants. Each CCC campus shall re-
28 ceive a minimum allocation of \$50,000. The
29 remainder of the funding shall be allocated
30 to campuses based upon a formula reflecting
31 full-time equivalent students (FTES)
32 weighted by a measure of low-income popu-
33 lations s demonstrated by BOG fee waiver
34 program participation within a district. It is
35 the intent of the Legislature, to the extent that
36 funds are provided in this item, that all cam-
37 puses provide additional staff resources to
38 increase both financial aid participation and
39 student access to low-income and disadvan-
40 tagged students who must overcome barriers

1 in accessing postsecondary education. Funds
2 may be used for screening current students
3 for possible financial aid eligibility and offer-
4 ing personal assistance to these students in
5 accessing financial aid, providing individual
6 help in multiple languages for families and
7 students in filling out the necessary paper-
8 work to apply for financial aid, and increas-
9 ing financial aid staff to process additional
10 financial aid forms.

11 (3) Funding provided to community college dis-
12 tricts in paragraph (2) is provided to offset
13 any mandated costs claimed by community
14 college districts pursuant to the Commission
15 on State Mandates Test Claims 02-TC-28
16 (Cal Grants) and 02-TC-21 (Tuition Fee
17 Waivers).

18 (4) Funds allocated to a community college dis-
19 trict for financial aid personnel, outreach de-
20 termination of financial need, and delivery
21 of student financial aid services shall supple-
22 ment, and shall not supplant, the level of
23 funds allocated for the administration of stu-
24 dent financial aid programs during the
25 2001–02 or 2006–07 fiscal year, whichever
26 is greater.

27 (5) It is the intent of the Legislature that the Of-
28 fice of the Chancellor of the California
29 Community Colleges provide the Legislature
30 with a report not later than April 1 of each
31 year on the use of the funds allocated pur-
32 suant to paragraphs (1) and (2), including the
33 distribution of the funds, specific uses of the
34 funds, strategies employed to reach low-in-
35 come and disadvantaged students potentially
36 eligible for financial aid, and the extent to
37 which districts were successful in increasing
38 the number of students accessing financial
39 aid, particularly the maximum Pell Grant
40 award.

- 1 (6) It is the intent of the Legislature that the
- 2 chancellor report by May 15 of each year, in
- 3 the manner and using the factors set forth in
- 4 paragraph (5) of subdivision (c) of Provision
- 5 11 of Item 6870-101-0001 of the Budget Act
- 6 of 2007 (Chs. 171 and 172, Stats. 2007), on
- 7 the impact of outreach efforts on student
- 8 headcount and FTES enrollment for the
- 9 2009–10 and 2010–11 academic years.
- 10 (e) Notwithstanding subdivision (m) of Section 76300
- 11 of the Education Code or any other provision of
- 12 law, the amount of funds appropriated for the
- 13 purpose of administering fee waivers for the
- 14 2012–13 fiscal year shall be determined in this
- 15 act.
- 16 21. (a) The funds appropriated in Schedule (7) for the
- 17 Disabled Students Program are for assisting dis-
- 18 tricts in funding the excess direct instructional
- 19 cost of providing special support services or in-
- 20 struction, or both, to disabled students enrolled at
- 21 community colleges, and for state hospital pro-
- 22 grams, as mandated by federal law.
- 23 (b) Of the amount appropriated in Schedule (7), no
- 24 less than \$3,166,000 shall be used to address de-
- 25 ficiencies identified by the federal Office for
- 26 Civil Rights (OCR), as determined by the Office
- 27 of the Chancellor of the California Community
- 28 Colleges.
- 29 (c) Of the amount appropriated in Schedule (7), at
- 30 least \$757,000 shall be used for support of the
- 31 High Tech Centers for activities including, but
- 32 not limited to, training of district employees, staff,
- 33 and students in the use of specialized computer
- 34 equipment for the disabled. All High Tech Centers
- 35 shall meet standards developed by the Office of
- 36 the Chancellor. Colleges that receive these aug-
- 37 mentations shall not supplant existing resources
- 38 provided to the centers.
- 39 (d) Notwithstanding any other provision of law, of
- 40 the funds appropriated in Schedule (7), \$1,000,000

1 shall be for state hospital adult education pro-
2 grams at the hospitals served by the Coast and
3 Kern Community College Districts since the
4 1986–87 fiscal year. If adult education services
5 at any of the two hospitals are not supported by
6 the community colleges in any portion of the
7 2012–13 fiscal year, remaining funds shall, upon
8 order of the Department of Finance, after 30 days’
9 notice to the Chairperson of the Joint Legislative
10 Budget Committee, be transferred to the State
11 Department of Developmental Services (DDS).
12 For any transfer of funds to DDS during the
13 2012–13 fiscal year, the Proposition 98 base
14 funding levels for community colleges and DDS
15 shall be adjusted accordingly.

- 16 (e) Of the funds appropriated in Schedule (7) for the
17 Disabled Student Services, no less than
18 \$7,704,000 shall be allocated to support high-cost
19 sign language interpreter services and real-time
20 captioning equipment or other communication
21 accommodations for hearing-impaired students
22 based on a 4-to-1 state-to-local district match.
- 23 22. The funds appropriated in Schedule (8), Special Ser-
24 vices for CalWORKs Recipients, are for the purpose
25 of assisting welfare recipient students and those in
26 transition off of welfare to achieve long-term self-
27 sufficiency through coordinated student services of-
28 fered at community colleges, including workstudy,
29 other educational related work experience, job place-
30 ment services, child care services, and coordination
31 with county welfare offices to determine eligibility
32 and availability of services. All services funded in
33 Schedule (8) shall be for current CalWORKs recipients
34 or prior CalWORKs recipients who are in transition
35 off of cash assistance for no more than two years.
36 Current cash-assistance recipients may utilize these
37 services until their initial educational objectives are
38 met. Former recipients in transition off of cash assis-
39 tance may utilize these services for a period of up to
40 two years after leaving cash assistance subject to the

conditions of this provision. These funds shall be used to supplement and not supplant existing funds and services provided for CalWORKs recipients attending community colleges. The Chancellor of the California Community Colleges shall develop an equitable method for allocating funds to all districts and colleges based on the relative numbers of CalWORKs recipients in attendance and shall allocate funds for the following purposes:

- (a) Job placement.
- (b) Coordination with county welfare offices and other local agencies, including local workforce investment boards.
- (c) Curriculum development and redesign.
- (d) Child care and workstudy.
- (e) Instruction.
- (f) Postemployment skills training and related skills.
- (g) Campus-based case management, limited to on-campus assistance and services not provided by county case workers that do not supplant other counseling and academic support services funded through existing California Community Colleges categorical programs.

Of the amount appropriated in Schedule (8), \$9,188,000 is for child care and does not require a district match. For the remaining funds, districts shall, as a condition of receipt of these funds, provide a \$1 match for every \$1 provided by the state.

Funds utilized for subsidized child care shall be for children of CalWORKs recipients through campus-based centers or parental choice vouchers at rates and with rules consistent with those applied to related programs operated by the State Department of Education in the 2012–13 fiscal year, including eligibility, reimbursement rates, and parental contribution schedules. Subsidized campus child care for CalWORKs recipients may be provided during the period they are engaged in qualifying state and federal work activities through attainment of their initial education and training plan and for up to three months thereafter

1 or until the end of the academic year, whichever period
2 of time is greater.

3 Funds utilized for workstudy shall be used solely
4 for payments to employers that currently participate
5 in campus-based workstudy programs or are providing
6 work experiences that are directly related to and in
7 furtherance of student educational programs and work
8 participation requirements, provided that those pay-
9 ments may not exceed 75 percent of the wage for the
10 workstudy positions, and the employers shall pay at
11 least 25 percent of the wage for the workstudy posi-
12 tions. These funds may be expended only if the total
13 hours of education, employment, and workstudy for
14 the student are sufficient to meet both state and federal
15 minimum requirements for qualifying work-related
16 activities.

17 Funds may be used to provide credit or noncredit
18 classes for CalWORKs students if a district has com-
19 mitted all of its funded full-time equivalent students
20 (FTES) and is unable to offer the additional instruc-
21 tional services to meet the demand for CalWORKs
22 students. This determination shall be based on fall
23 enrollment information. Districts shall submit applica-
24 tions to the Office of the Chancellor by December 1
25 of each year. If the chancellor approves the use of
26 funds for direct instructional workload, the Office of
27 the Chancellor shall submit a report to the Department
28 of Finance and the Joint Legislative Budget Committee
29 by February 15 of each year that (a) identifies the en-
30 rollment of new CalWORKs students, (b) states
31 whether and why additional classes were needed to
32 accommodate the needs of CalWORKs students, and
33 (c) sets forth an expenditure plan for the balance of
34 funds.

35 As a condition of receipt of the funds appropriated
36 in Schedule (8), by the fourth week following the end
37 of the semester or quarter term commencing in January
38 2013, participating community districts and colleges
39 shall submit to the Office of the Chancellor a report,
40 in the format specified by the chancellor in consulta-

tion with the State Department of Social Services, that includes, but is not limited to, the funded components, the number of hours of child care provided, the average monthly enrollment of CalWORKs dependents served in child care, the number of workstudy hours provided, the hourly salaries and type of jobs, the number of students being case managed, the short-term programs available, the student participation rates, and other outcome data. It is intended that, to the extent practicable, reporting from colleges utilize data gathered for federal reporting requirements at the state and local level. Further, it is intended that the Office of the Chancellor compile the information for annual reports to the Legislature, the Governor, the Legislative Analyst, the Department of Finance, and the State Department of Social Services by February 15 of each year.

First priority for expenditures of any funds appropriated in Schedule (8) shall be in support of current CalWORKs recipients. However, if caseloads are insufficient to fully utilize all of the funding in this schedule in a cost-beneficial way, it is intended that up to \$5,000,000 of the funds subject to local matching requirements may be allocated for providing postemployment services to former CalWORKs recipients who have been off of cash assistance for no longer than two years to assist them in upgrading skills, job retention, and advancement. Allowable services include direct instruction that cannot be funded under available growth funding, child care to support attendance in these classes consistent with this provision, job development and placement services, and career counseling and assessment activities that cannot be funded through other programs. Child care services may only be provided for periods commensurate with a student's need for postemployment training within the two-year transitional period.

Prior to allocation of funds for postemployment services, the chancellor shall first secure the approval of the Department of Finance for the allocations, complete a cumulative report on the outcomes, activi-

ties, and cost-effectiveness of the program no later than February 15 of each year in compliance with the Budget Acts of 1998 (Ch. 324, Stats. 1998) and 1999 (Ch. 50, Stats. 1999) and this act, and shall provide the rationale and justification for the proposed allocation of postemployment services to districts for transitional students.

If a district is unable to fully expend its share of child care funds, it may request that the Office of the Chancellor approve a reallocation to other CalWORKs purposes authorized by this provision, subject to all pertinent limitations and district match required for these purposes under this provision.

Of the funds appropriated in Schedule (8) for the Special Services for CalWORKs Recipients Program, no less than \$4,900,000 is to provide direct workstudy wage reimbursement for students served under this program, and \$613,000 is available for campus job development and placement services.

23. Funds appropriated in Schedule (8) for the Special Services for CalWORKs Recipients Program have been budgeted to meet the state's Temporary Assistance for Needy Families maintenance-of-effort requirement pursuant to the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193) and may not be expended in any way that would cause their disqualification as a federally allowable maintenance-of-effort expenditure.
24. (a) Funds provided in Schedule (9) for the Foster Care Education Program shall be allocated to provide foster and relative/kinship care education and training. Districts shall ensure that education and training required by Sections 1529.1 and 1529.2 of the Health and Safety Code and Section 16003 of the Welfare and Institutions Code receive priority. Districts may use any remaining funds for additional parenting skills training.
- (b) Funds provided in Schedule (9) shall be used for foster parent and relative/kinship care provider

education training services consistent with the following criteria:

- (1) The Chancellor of the California Community Colleges shall use these funds exclusively for foster parent and relative/kinship care provider education and training, as specified by the chancellor in consultation with an advisory committee that includes foster parents, representatives of statewide foster parent organizations, parent and relative/kinship care providers, and representatives from the State Department of Social Services.
 - (2) Acceptance of funds under this program shall constitute agreement by the district to comply with such reporting requirements, guidelines, and other conditions for receipt of funding as the chancellor may establish.
 - (3) Each college plan for foster and relative/kinship care education programs shall include the provision of training to facilitate the development of foster family homes, small family homes, and relative/kinship homes to care for no more than six children who have special mental, emotional, developmental, or physical needs.
 - (4) The State Department of Social Services shall facilitate the participation of county welfare departments in the foster and relative/kinship care education program.
25. (a) Funds appropriated in Schedule (10) for the Matriculation Program are for the purpose of student matriculation pursuant to Article 1 (commencing with Section 78210) of Chapter 2 of Part 48 of Division 7 of Title 3 of the Education Code.
- (b) Of the amount appropriated in Schedule (10), \$9,381,000 shall be allocated to community college districts on a one-to-one matching funds basis to provide matriculation services, including, but not limited to, orientation, assessment, and counseling, for students enrolled in designated noncred-

1 it classes and programs who may benefit most, as
2 determined by the Chancellor of the California
3 Community Colleges pursuant to Sections 78216
4 and 78218 of the Education Code.

- 5 26. The funds in Schedule (14) for the Part-time Faculty
6 Compensation Program shall be allocated solely to
7 increase compensation for part-time faculty from the
8 amounts previously authorized. Funds shall be distribut-
9 ed to districts based on the total actual full-time
10 equivalent students served in the previous fiscal year
11 and include a small district factor as determined by
12 the Chancellor of the California Community Colleges.
13 These funds are to be used to assist districts in making
14 part-time faculty salaries more comparable to full-time
15 salaries for similar work, as determined through each
16 district's local collective bargaining process. These
17 funds shall not supplant the amount of resources each
18 district used to compensate part-time faculty or be
19 used to exceed parity of each part-time faculty em-
20 ployed by each district with regular full-time faculty
21 at the same district, as certified by the chancellor. If
22 a district achieves parity, its allocation may be used
23 for any other educational purpose.

- 24 27. (a) \$14,151,000 of the funds provided in Schedule
25 (16) for the Telecommunications and Technology
26 Services Program shall be for the purpose of
27 supporting technical and application innovations
28 and for coordination of activities that serve to
29 maximize the utility of the technology investments
30 of the community college system towards improv-
31 ing learning outcomes. Allocations shall be made
32 by the Chancellor of the California Community
33 Colleges, based on criteria and guidelines as de-
34 veloped by the chancellor, on a competitive basis
35 through the RFA/RFP application process for the
36 following purposes:

- 37 (1) Provision of access to statewide multimedia
38 hosting and delivery services for state col-
39 leges and districts.

- (2) Provision of systemwide Internet, audio bridging, and telephony.
- (3) Technical assistance and planning, cooperative purchase agreements, and faculty and staff development in a manner consistent with paragraph (3) of subdivision (b) of Provision 17 of Item 6870-101-0001 of the Budget Act of 1996 (Ch. 162, Stats. 1996).
- (4) Ongoing support for the California Virtual Campus Distance Education Program.
- (5) Ongoing support for programs designed to use technology in assisting accreditation and the alignment of curricula across K–20 segments in California.
- (6) Support for technology pilots and ongoing technology programs and applications that serve to maximize the utility and economy of scale of the technology investments of the community college system towards improving learning outcomes.

In addition, a portion of the funds provided in this subdivision shall be available for allocations to districts. It is the intent of the Legislature that these funds be used by colleges to maintain the technology capabilities specified in subdivision (a) of Provision 21 of Item 6870-101-0001 of the Budget Act of 2003 (Ch. 157, Stats. 2003). These funds shall not supplant existing funds used for those purposes, and colleges shall match maintenance and ongoing costs with other funds as provided by subdivision (a) of Provision 21 of Item 6870-101-0001 of the Budget Act of 2003 (Ch. 157, Stats. 2003).

- (b) The Office of the Chancellor of the California Community Colleges shall develop the reporting criteria for all programs funded by this item and shall submit that for review along with an annual progress report on program implementation to the Legislative Analyst and the Department of Finance no later than December 1 of each year.

1 Reporting shall include summaries of allocations
2 and expenditures by program and by district,
3 where applicable.

- 4 (c) Of the funds provided in Schedule (16),
5 \$1,139,000 is for ongoing support and expansion
6 of the California Partnership for Achieving Stu-
7 dent Success (Cal-PASS) program. As a condition
8 of receipt of these funds, the grantee shall submit
9 to the Office of the Chancellor, by October 15 of
10 each year, all of the following: (1) a report that
11 includes the numbers and percentages of institu-
12 tions and school districts that have signed agree-
13 ments and the number and percentage that have
14 actively submitted data in the current year and (2)
15 an annual financial audit, as prescribed by the
16 chancellor, that includes an accounting of all
17 funding sources and all uses of funds by funding
18 source. The report and audit also shall be submit-
19 ted to the Legislative Analyst, the Department of
20 Finance, and the appropriate budget subcommit-
21 tees of the budget committees of each house of
22 the Legislature. It is the intent of the Legislature
23 that all reporting requirements contained in this
24 subdivision shall be completed using funds pro-
25 vided to the grantee.

- 26 28. Of the funds provided in Schedule (17) for the Eco-
27 nomic and Workforce Development Program:

- 28 (a) \$11,187,000 is allocated for regional business re-
29 sources assistance and innovation network centers.
30 Each allocation to a district for Centers for Inter-
31 national Development shall contain sufficient
32 funds, as determined by the Chancellor of the
33 California Community Colleges, for the continued
34 operation of Mexican International Trade Centers.
35 (b) \$3,833,000 is allocated for industry-driven region-
36 al education and training collaboratives. These
37 allocations shall be made on a competitive basis
38 and the amounts shall not be restricted to any
39 predetermined limit, but rather shall be funded on
40 their individual merits.

- 1 (c) \$1,769,000 is allocated for statewide network
2 leadership, organizational development, coordina-
3 tion, information and support services, or other
4 program purposes.
- 5 (d) \$2,220,000 is available for Job Development In-
6 centive Training programs focused on job creation
7 for public assistance recipients. Any annual sav-
8 ings from this subdivision shall only be available
9 for expenditure for one-time activities listed under
10 subdivision (j) of Section 88531 of the Education
11 Code.
- 12 (e) \$3,920,000 is allocated for the establishment of
13 a Responsive Incumbent Worker Training Fund,
14 which will serve to expand the delivery of perfor-
15 mance improvement training to employers and
16 incumbent workers in high-growth industries.
17 Funds shall also be used to develop programs that
18 integrate basic skills and career technical educa-
19 tion curriculum in ways that provide students with
20 seamless educational coursework that transitions
21 students into high-tech and high-demand job sec-
22 tors.
- 23 (f) The following provisions apply to the expenditure
24 of funds within subdivisions (a) and (b): Funds
25 allocated for centers and regional collaboratives
26 shall seek to maximize the use of state funds for
27 subdivisions (g) to (j), inclusive, of Section 88531
28 of the Education Code. Funds allocated to districts
29 for purposes of subdivisions (g) and (i) of Section
30 88531 of the Education Code for performance-
31 based training and student internships shall be
32 matched by a minimum of \$1 of private business
33 and industry funding for each \$1 of state funds.
34 Funds allocated for purposes of subdivision (h)
35 of Section 88531 of the Education Code for
36 credit and noncredit instruction may be transferred
37 to Schedule (1) or (3) to facilitate distribution at
38 the chancellor's discretion. Any funds that become
39 available from network centers due to savings,
40 discontinuance, or reduction of amounts shall first

- 1 be made available for additional allocations in
2 subdivision (b) to increase the level of subsidized
3 training otherwise available.
- 4 (g) Funds allocated by the Board of Governors of the
5 California Community Colleges under this provi-
6 sion may not be used by community college dis-
7 tricts to supplant existing courses contract educa-
8 tion offerings. The chancellor shall ensure that
9 funds are spent only for expanded services and
10 shall implement accountability reporting for dis-
11 tricts receiving these funds to ensure that training,
12 credit, and noncredit programs remain relevant
13 to business needs. Programs that do not demon-
14 strate continued relevance and support by business
15 shall not be eligible for continued funding. The
16 board of governors shall consider the level of in-
17 volvement and financial commitments of business
18 and industry as primary factors in making awards.
19 The chancellor shall incorporate project require-
20 ments into the guidelines for audits of economic
21 development projects.
- 22 (h) Primary objectives of the Economic and Work-
23 force Development Program are to maximize in-
24 struction, to prepare students for entry-level jobs,
25 to increase skills of the current workforce, and to
26 stimulate the growth of businesses through train-
27 ing so that more jobs are created. As part of the
28 annual report on the performance of the Economic
29 and Workforce Development Program, the chan-
30 cellor shall provide disaggregated data detailing
31 the funding provided to each economic develop-
32 ment regional center and each industry-driven
33 regional education and training collaborative, and
34 to the extent practicable, the total number of hours
35 of contract education services, performance im-
36 provement training, credit and noncredit instruc-
37 tion, and job placements created as a result of
38 each center and collaborative.
- 39 29. (a) The funds appropriated in Schedule (18) for the
40 Transfer Education and Articulation Program are

available to support transfer and articulation projects and common course numbering projects.

- (b) Funding provided to community college districts from Schedule (18) is provided to directly offset any mandated costs claimed by community college districts pursuant to Chapter 737 of the Statutes of 2004.

- 30. (a) One-half of any funds appropriated in Schedule (19) are available for the following purposes:

- (1) Scheduled maintenance and special repairs of facilities. The Chancellor of the California Community Colleges shall allocate funds to districts on the basis of actual reported full-time equivalent students (FTES), and may establish a minimum allocation per district. As a condition for receiving and expending these funds for maintenance or special repairs, a district shall certify that it will increase its operations and maintenance spending from the 1995–96 fiscal year by the amount it allocates from this appropriation for maintenance and special repairs, plus an equal amount to be provided from district discretionary funds. The chancellor may waive all or a portion of the matching requirement based upon a review of a district’s financial condition. The question of whether a district has complied with its resolution shall be reviewed under the annual audit of that district. For every \$1 a district expends from any funds provided in this appropriation for scheduled maintenance and special repairs, the recipient district shall provide \$1 in matching funds.

- (2) Hazardous substances abatement, cleanup, and repairs.

- (3) Architectural barrier removal projects that meet the requirements of the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12101 et seq.) and seismic retrofit pro-

- 1 jects limited to \$400,000. Districts that re-
2 ceive funds for architectural barrier removal
3 projects shall provide a \$1 match for every
4 \$1 provided by the state.
- 5 (b) One-half of any funds appropriated in Schedule
6 (19) are available for replacement of instructional
7 equipment and library materials. For every \$3 a
8 district expends from any moneys provided in this
9 appropriation for replacement of instructional
10 equipment or library materials, the recipient dis-
11 trict shall provide \$1 in matching funds. The
12 chancellor may waive all or a portion of the
13 matching requirement based upon a review of a
14 district's financial condition. The funds provided
15 for instructional equipment and library materials
16 shall not be used for personal services costs or
17 operating expenses. The chancellor shall allocate
18 funds to districts on the basis of actual reported
19 FTES and may establish a minimum allocation
20 per district. The question of whether a district has
21 complied with its resolution shall be reviewed
22 under the annual audit of that district.
- 23 (c) Any funds appropriated in Schedule (19) shall be
24 available for expenditure until June 30, 2014.
- 25 31. Of the funds appropriated in Schedule (20) for Extend-
26 ed Opportunity Programs and Services and Special
27 Services, \$64,273,000 is for Extended Opportunity
28 Programs and Services (EOPS) in accordance with
29 Article 8 (commencing with Section 69640) of Chapter
30 2 of Part 42 of Division 5 of Title 3 of the Education
31 Code. Funds provided in this item for EOPS shall be
32 available to students on all campuses within the Cali-
33 fornia Community Colleges system, including those
34 students on new campuses or in new districts. In addi-
35 tion, \$9,332,000 is for funding, at all colleges, the
36 Cooperative Agencies Resources for Education
37 (CARE) program in accordance with Article 4 (com-
38 mencing with Section 79150) of Chapter 9 of Part 48
39 of Division 7 of Title 3 of the Education Code. The
40 Board of Governors of the California Community

- 1 Colleges shall allocate funds on a priority basis to local
- 2 programs on the basis of need for student services.
- 3 32. Of the funds appropriated in Schedule (20) for the
- 4 Extended Opportunity Programs and Services and
- 5 Special Services, no less than \$4,972,000 shall be
- 6 available to support additional textbook assistance
- 7 grants to community college students as an allowable
- 8 expenditure consistent with paragraph (10) of subdivi-
- 9 sion (b) of Section 69648 of the Education Code. In
- 10 addition, these funds shall not supplant the amount of
- 11 resources used for textbook grants in the 2001–02
- 12 fiscal year.
- 13 33. The funds appropriated in Schedule (21) for the Fund
- 14 for Student Success are for additional targeted student
- 15 services, to be expended as follows:
- 16 (a) \$1,183,000 is for the Puente Project to support up
- 17 to 75 colleges. These funds are available if
- 18 matched by \$200,000 of private funds and the
- 19 participating community colleges and University
- 20 of California campuses maintain their 1995–96
- 21 fiscal year support level for the Puente Project.
- 22 All funding shall be allocated directly to partici-
- 23 pating districts in accordance with their participa-
- 24 tion agreement.
- 25 (b) Up to \$1,515,000 is for the Mathematics, Engi-
- 26 neering and Science Achievement (MESA) pro-
- 27 gram. For each \$1 allocated, the recipient district
- 28 shall provide \$1 in matching funds.
- 29 (c) No less than \$1,094,000 is for the Middle College
- 30 High School Program. With the exception of fully
- 31 compliant special part-time students at the com-
- 32 munity colleges pursuant to Sections 48802 and
- 33 76001 of the Education Code, student workload
- 34 based on participation in the Middle College High
- 35 School Program shall not be eligible for commu-
- 36 nity college state apportionment. Further, no
- 37 community college state apportionment shall be
- 38 made available for physical education classes,
- 39 noncredit classes, nor other courses specified in
- 40 Provision 8.

- 1 34. Pursuant to Sections 69648.5, 78216, and 84850, and
2 subdivision (b) of Section 87108, of the Education
3 Code, the Board of Governors of the California Com-
4 munity Colleges may allocate funds appropriated in
5 Schedules (7), (10), (12), and (20) by grant or contract,
6 or through the apportionment process, to one or more
7 districts for the purpose of providing program evalua-
8 tion, accountability, monitoring, or program develop-
9 ment services, as appropriate under the applicable
10 statute.
- 11 35. (a) All funds appropriated in Schedule (22) for the
12 Career Technical Education Program are for the
13 purpose of aligning career technical education
14 curriculum between K–12 and community col-
15 leges in targeted industry-driven programs offered
16 through the Economic and Workforce Develop-
17 ment Program. Prior to the allocation of these
18 funds, the Chancellor of the California Communi-
19 ty Colleges, in conjunction with the State Depart-
20 ment of Education, shall submit a proposed expen-
21 diture plan for the funds contained in this item,
22 and the rationale therefor, to the Department of
23 Finance by August 1 of each year for approval.
- 24 (b) If funds are appropriated in Schedule (22) for the
25 Career Technical Education Program, no more
26 than \$2,500,000 is available for the development
27 and enhancement of health-related career pathway
28 programs in grades 7 to 12, inclusive, and for the
29 articulation and alignment of health-related cur-
30 riculum between schools with pupils in kinder-
31 garden and grades 1 to 12, inclusive, and the Cali-
32 fornia Community Colleges.
- 33 36. The funds appropriated in Schedule (23) for the
34 Campus Child Care Tax Bailout shall be allocated by
35 the Chancellor of the California Community Colleges
36 to community college districts that levied child care
37 permissive override taxes in the 1977–78 fiscal year
38 pursuant to Sections 8329 and 8330 of the Education
39 Code in an amount proportional to the property tax
40 revenues, tax relief subventions, and state aid required

to be made available by the district to its child care and development program for the 1979–80 fiscal year pursuant to Section 30 of Chapter 1035 of the Statutes of 1979, increased or decreased by any cost-of-living adjustment granted in subsequent fiscal years. These funds shall be used only for the purpose of community college child care and development programs.

37. With regard to the funds appropriated in Schedule (24), Nursing Program Support, all of the following shall apply:

- (a) \$8,475,000 shall be used to provide support for nursing program enrollment and equipment needs consistent with paragraph (2) of subdivision (a) of Section 2 of Chapter 514 of the Statutes of 2001. Funding for nursing enrollment shall provide a marginal increase in funding in addition to the amount provided for each full-time equivalent student for regular growth in apportionments.
- (b) \$4,903,000 shall be used to provide diagnostic and support services, preentry coursework, alternative program delivery model development, and other services to reduce the incidence of student attrition in nursing programs.
- (c) Funds shall be allocated according to the following criteria:
 - (1) The degree to which the funds provided would be used to increase student enrollment in nursing programs beyond the level of full-time equivalent students served in the 2011–12 academic year.
 - (2) The district’s level of attrition from nursing programs and the suitability of planned expenditures to address attrition levels.
 - (3) The degree to which funds provided would be used to support infrastructure or equipment needs with the intent of building capacity and increasing the number of nursing students served.
 - (4) For districts with attrition rates of 15 percent or more, new funding shall focus on attrition

1 reduction. For districts with attrition rates
2 below 15 percent, new funding shall focus
3 on enrollment expansion.

- 4 (d) On or before March 1 of each year, the Chancellor
5 of the California Community Colleges shall pro-
6 vide the Legislature and the Department of Fi-
7 nance with a report on the allocation of funding.
8 For each district receiving funding under this item,
9 the report shall include all of the following: (1)
10 the amount of funding received, (2) the number
11 of nursing full-time equivalent students served in
12 the 2006–07 academic year, and the additional
13 number of nursing full-time equivalent students
14 served with funding provided in this item in each
15 subsequent year, (3) the district’s attrition and
16 completion rates in the 2006–07 academic year
17 and subsequent years, (4) any equipment or infra-
18 structure-related items acquired with the funds
19 appropriated in this item, and (5) the number of
20 new and existing faculty receiving annual stipend
21 awards.

- 22 38. Notwithstanding any other provision of law, the
23 Chancellor of the California Community Colleges
24 shall allocate categorical funds as specified in legisla-
25 tion enacted in 2009 and as amended in 2010. Pursuant
26 to the conditions specified in that legislation, districts
27 may utilize funds allocated from Schedules (3), (10),
28 (11), (12), (13), (14), (15), (17), (18), (19), and (23)
29 as further specified in that legislation. Notwithstanding
30 this provision and subdivision (b) of Section 84043 of
31 the Education Code, the chancellor may adjust alloca-
32 tions, as necessary, for funding provided pursuant to
33 Schedules (11), (17), and (18) in support of statewide
34 or regional functions.

- 35 39. Funding provided to community college districts in
36 Schedule (1) is provided to directly offset any mandat-
37 ed costs claimed by community college districts for
38 the Minimum Conditions for State Aid (02-TC-25 and
39 02-TC-31) mandated program as determined by the
40 Commission on State Mandates.

SEC. 60. Item 7300-001-0001 of Section 2.00 of the Budget Act of 2012 is amended to read:

7300-001-0001—For support of Agricultural Labor Relations		
Board.....		4,904,000
Schedule:		
(1) 10-Board Administration.....	1,938,000	
	2,138,000	
(2) 20-General Counsel Administration.....	2,966,000	
	2,766,000	
(3) 30.01-Administration Services.....	275,000	
(4) 30.02-Distributed Administration Ser-		
vices.....	-275,000	

SEC. 61. Item 7980-101-0001 of Section 2.00 of the Budget Act of 2012 is amended to read:

7980-101-0001—For local assistance, Student Aid Commis-		
sion.....	1,525,206,000	
	721,452,000	
Schedule:		
(1) 15-Financial Aid Grants Program....	1,638,628,000	
(2) Reimbursements.....	-13,989,000	
	-817,743,000	
(2.5) Amount payable from the Student		
Loan Operating Fund (Item 7980-		
101-0784).....	-84,657,000	
(3) Amount payable from the Federal Trust		
Fund (Item 7980-101-0890).....	-14,776,000	
Provisions:		
1. Funds appropriated in Schedule (1) are for purposes		
of all of the following:		
(a) Awards in the Cal Grant Program under Chapter		
1.7 (commencing with Section 69430) of Part 42		
of Division 5 of Title 3 of the Education Code.		
(b) Grants under the Law Enforcement Personnel		
Dependents Scholarship Program pursuant to		
Section 4709 of the Labor Code.		

- 1 (c) The purchase of loan assumptions under Article
2 5 (commencing with Section 69612) of Chapter
3 2 of Part 42 of Division 5 of Title 3 of the Educa-
4 tion Code. The Student Aid Commission shall is-
5 sue 7,200 new warrants.
- 6 (d) The purchase of loan assumptions under the
7 Graduate Assumption Program of Loans for Edu-
8 cation pursuant to Article 5.5 (commencing with
9 Section 69618) of Chapter 2 of Part 42 of Division
10 5 of Title 3 of the Education Code.
- 11 (e) The purchase of loan assumptions under the State
12 Nursing Assumption Program of Loans for Edu-
13 cation (SNAPLE) Employees of State Facilities
14 Program pursuant to Article 2 (commencing with
15 Section 70120) of Chapter 3 of Part 42 of Division
16 5 of Title 3 of the Education Code. The Student
17 Aid Commission shall issue no new warrants.
- 18 (f) The purchase of loan assumptions under the State
19 Nursing Assumption Program of Loans for Edu-
20 cation (SNAPLE) pursuant to Article 1 (commenc-
21 ing with Section 70100) of Chapter 3 of Part 42
22 of Division 5 of Title 3 of the Education Code.
23 The Student Aid Commission shall issue 100 new
24 warrants.
- 25 (g) The Student Aid Commission shall report by April
26 1, 2013, on the State Nursing Assumption Pro-
27 gram of Loans for Education, pursuant to the re-
28 porting requirements of Section 70108 of the Ed-
29 ucation Code.
- 30 (h) Notwithstanding subdivision (c) of Section
31 69613.8 of the Education Code, any Assumption
32 Program of Loans for Education participant who
33 meets the requirements of subdivision (a) or (b)
34 of Section 69613.8 of the Education Code may
35 receive the additional loan assumption benefits
36 authorized by those subdivisions.
- 37 2. Eligibility for moneys appropriated in this item is
38 limited to students who demonstrate financial need
39 according to the nationally accepted needs analysis
40 methodology, who meet other Student Aid Commis-

sion eligibility criteria, and, notwithstanding subdivision (k) of Section 69432.7 of the Education Code, whose income or family's gross income does not exceed \$92,600 for the Cal Grant A Program and \$50,900 for the Cal Grant B Program for the purpose of determining new recipients for the 2012–13 award year.

3. Notwithstanding any other provision of law, the maximum award for:

- (a) New and renewal recipients attending private institutions shall be \$9,708.
- (b) New and renewal recipients attending independent institutions shall be \$9,708.
- (c) All recipients receiving Cal Grant B access awards shall be \$1,551.
- (d) All recipients receiving Cal Grant C tuition and fee awards shall be \$2,592.
- (e) All recipients receiving Cal Grant C book and supply awards shall be \$576.
- (f) All University of California student recipients receiving Cal Grant awards shall be \$12,192 or whatever lesser or greater amount is approved for mandatory systemwide fees by the Regents of the University of California for the 2012–13 academic year.
- (g) All California State University student recipients receiving Cal Grant awards shall be \$5,970 or whatever lesser or greater amount is approved for mandatory systemwide fees by the Trustees of the California State University for the 2012–13 academic year.

4. Pursuant to Chapter 403 of the Statutes of 2000 and notwithstanding any other provision of law, the Director of Finance may authorize the augmentation, from the Special Fund for Economic Uncertainties established pursuant to Section 16418 of the Government Code, of the annual amount appropriated for the purposes of making Cal Grant awards pursuant to Chapter 1.7 (commencing with Section 69430) of Part 42 of Division 5 of Title 3 of the Education Code, as necessary to fully fund the number of awards required to be

granted by that chapter. No augmentation may be authorized under this provision sooner than 30 days after the Director of Finance provides written notice of the proposed augmentation to the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the committees in each house of the Legislature that consider appropriations, nor sooner than whatever lesser time after that notice those persons, or their designees, may in each instance determine.

5. Of the funds appropriated in Schedules (1) and (2), ~~\$0~~ \$803,754,000 reflects reimbursements from the State Department of Social Services from the Temporary Assistance for Needy Families Block Grant for the purposes of offsetting General Fund costs of the Cal Grant Program.
6. Of the funds appropriated in Schedules (1) and (2), \$2,503,000 reflects reimbursements from the Military Department for the costs of tuition assistance for National Guard members pursuant to the provisions of Chapter 12 of the 2009–10 Fourth Extraordinary Session.
7. Of the funds appropriated in Schedules (1) and (2), \$127,000 reflects reimbursements from the California Emergency Management Agency for costs of loan repayment assistance under the John R. Justice Grant Program.

SEC. 62. Item 7980-101-0784 of Section 2.00 of the Budget Act of 2012 is amended to read:

7980-101-0784—For local assistance, Student Aid Commission,	
Cal Grant Program, for payment to Item 7980-101-0001,	
payable from the Student Loan Operating Fund.....	30,000,000
	84,657,000

SEC. 63. Item 8955-001-0001 of Section 2.00 of the Budget Act of 2012 is amended to read:

1	8955-001-0001—For support of Department of Veterans Af-	
2	fairs.....	224,783,000
3		<i>218,471,000</i>
4	Schedule:	
5	(1) 10-Farm and Home Loans to Veter-	
6	ans.....	2,254,000
7	(2) 20-Veterans Claims and Rights.....	4,954,000
8	(3) 30.01-Headquarters.....	26,598,000
9		<i>25,405,000</i>
10	(4) 30.10-Veterans' Home of California at	
11	Yountville.....	83,280,000
12	(5) 30.20-Veterans' Home of California at	
13	Barstow.....	20,315,000
14	(6) 30.30-Veterans' Home of California at	
15	Chula Vista.....	29,432,000
16	(7) 30.40-Veterans' Home of California at	
17	Greater Los Angeles, Ventura County	
18	(GLAVC).....	51,943,000
19	(8) 30.50-Veterans' Home of California at	
20	Redding.....	4,977,000
21		<i>2,663,000</i>
22	(9) 30.60-Veterans' Home of California at	
23	Fresno.....	6,135,000
24		<i>3,330,000</i>
25	(10) 50.01-General Administration.....	28,951,000
26		<i>27,758,000</i>
27	(11) 50.02-Distributed General Administra-	
28	tion.....	-28,951,000
29		<i>-27,758,000</i>
30	(12) Reimbursements.....	-616,000
31	(13) Amount payable from the Veterans	
32	Service Office Fund (Item 8955-001-	
33	0083).....	-56,000
34	(14) Amount payable from the Northern	
35	California Veterans Cemetery Perpetual	
36	Maintenance Fund (Item 8955-001-	
37	0238).....	-55,000
38	(15) Amount payable from the Veterans'	
39	Farm and Home Building Fund of 1943	
40	(Item 8955-001-0592).....	-2,254,000

- 1 (16) Amount payable from the Federal Trust
 2 Fund (Item 8955-001-0890)..... -1,894,000
 3 (17) Amount payable from the Mental
 4 Health Services Fund (Item 8955-001-
 5 3085)..... -230,000
 6 Provisions:
 7 1. Of the funds appropriated in this item, \$892,000 shall
 8 be expended only for the replacement of equipment
 9 and furnishings directly related to the care of the
 10 members at Veterans' Home of California.
 11 2. The Secretary of Veterans Affairs shall report annually
 12 on all expenditures pursuant to Provision 1 to the Di-
 13 rector of Finance, the Chairperson of the Joint Legisla-
 14 tive Budget Committee, and the chairpersons of the
 15 fiscal committees of each house of the Legislature.
 16 The report shall specify the following: (a) the equip-
 17 ment purchased, (b) the amount expended, (c) the
 18 vendor from whom it was purchased, (d) the method
 19 of purchase, (e) the purpose and use of the equipment,
 20 (f) the location of the equipment by home and program
 21 unit, and (g) the life expectancy of the equipment. The
 22 report shall also include planned expenditures for
 23 equipment, as specified, for the forthcoming five fiscal
 24 years.
 25 3. Of the funds appropriated in Schedule (4), the amount
 26 of \$500,000 is available for special projects that pro-
 27 vide a direct benefit to the members of the Veterans'
 28 Home of California at Yountville, including the
 29 maintenance of facilities used by members and the
 30 public. The Allied Council at the Veterans' Home of
 31 California may submit special project requests to the
 32 administration for consideration. After consultation
 33 with the Allied Council, a budget for expenditure of
 34 these funds shall be approved by the administrator and
 35 the Secretary of Veterans Affairs.
 36 4. Notwithstanding any other provision of law, the De-
 37 partment of Veterans Affairs is not required to comply
 38 with Chapter 615 of the Statutes of 2006 during the
 39 2012–13 fiscal year because no appropriation has been

provided to support the activities required by Chapter
615 of the Statutes of 2006.

*SEC. 64. Item 9650-001-0001 of Section 2.00 of the Budget
Act of 2012 is amended to read:*

9650-001-0001—For support of Health and Dental Benefits
for Annuitants. For the state’s contribution for the cost
of a health benefits plan and dental care premiums, for
annuitants and other employees, in accordance with
Sections 22820, 22879, 22881, 22883, and 22953 of the
Government Code, which cost is not chargeable to any
other appropriation..... ~~1,415,746,000~~
1,314,883,000

Schedule:

(1) Health benefit premiums..... ~~1,354,892,000~~
1,254,029,000
(2) Dental care premiums..... 96,803,000
(3) Amount payable from the Public Em-
ployees’ Contingency Reserve Fund
(Item 9650-001-0950)..... –35,949,000

Provisions:

1. The maximum transfer amounts specified in subdivi-
sion (c) of Section 26.00 do not apply to this item.
2. Notwithstanding Section 22844 of the Government
Code or any other provision of law, annuitants and
their family members who were employed by the
California State University, and who become eligible
for Part A and Part B of Medicare during the 2012–13
fiscal year, shall not be enrolled in a basic health ben-
efits plan during the 2012–13 fiscal year. If the annui-
tant or family member is enrolled in Part A and Part
B of Medicare, he or she may enroll in a supplement
to the Medicare plan. This provision does not apply
to employees and family members who are specifically
excluded from enrollment in a supplement to the
Medicare plan by federal law or regulation.
3. The maximum monthly contribution for an annuitant’s
health benefits plan shall be \$566 for a single enrollee,
\$1,074 for an enrollee and one dependent, and \$1,382

for an enrollee and two or more dependents for the 2012 calendar year. The maximum monthly contribution shall be adjusted based on Section 22871 of the Government Code to reflect the health benefit plan premium rates approved by the Board of Administration of the Public Employees' Retirement System for the 2013 calendar year.

SEC. 65. Item 9800-001-0001 of Section 2.00 of the Budget Act of 2012 is amended to read:

9800-001-0001—For Augmentation for Employee Compensation.....	54,545,000
	51,296,000

Provisions:

1. The amount appropriated in this item shall not be construed to control or influence collective bargaining between the state employer and employee representatives.
2. The funds appropriated in this item are for compensation increases and increases in benefits related thereto of employees whose compensation, or portion thereof, is chargeable to the General Fund, to be allocated by executive order by the Director of Finance to the several state offices, departments, boards, bureaus, commissions, and other state agencies, in augmentation of their respective appropriations or allocations, in accordance with approved memoranda of understanding or, for employees excluded from collective bargaining, in accordance with salary and benefit schedules established by the Department of Human Resources.
3. It is the intent of the Legislature that all proposed augmentations for increased employee compensation costs, including, but not limited to, base salary increases, pay increases to bring one group of employees into a pay equity position with another group of public employees, and recruitment and retention differentials, be budgeted and considered on a comprehensive, statewide basis. Therefore, the Legislature declares its intent to reject any proposed augmentations that are

1 not included in Items 9800-001-0001, 9800-001-0494,
2 and 9800-001-0988, given that these are the items
3 where the funds to implement comprehensive state-
4 wide compensation policies, including those adopted
5 pursuant to collective bargaining, are considered. This
6 provision shall not apply to augmentations for in-
7 creased employee compensation costs resulting from
8 mandatory judicial orders to raise pay for any group
9 of employees or augmentations for increased compen-
10 sation costs, or approvals for departments to provide
11 increased employee compensation levels, that are in-
12 cluded in bills separate from the Budget Act.

- 13 4. This item contains funds estimated to be necessary to
14 implement side letters, appendices, or other addenda
15 to a memorandum of understanding (collectively re-
16 ferred to as “pending agreements”) that have been
17 determined by the Joint Legislative Budget Committee
18 to require legislative approval prior to their implemen-
19 tation, but which may not have been approved in sep-
20 arate legislation as of the date of the passage of this
21 act. In the event that the Legislature does not approve
22 separate legislation to authorize implementation of
23 any of the pending agreements, the Director of Finance
24 shall not allocate any funds related to those pending
25 agreements pursuant to Provision 2, and the expendi-
26 ture of funds for those pending agreements shall not
27 be deemed to have been approved by the Legislature.
- 28 5. As of July 31, 2013, the unencumbered balances of
29 the above appropriation shall revert to the General
30 Fund.
- 31 6. By inclusion of this provision, for purposes of Section
32 3517.63 of the Government Code, the Legislature
33 hereby ratifies provisions that require the expenditure
34 of funds of the addenda dated April 5, 2012, and April
35 6, 2012, with State Bargaining Units 12, 16, 18, and
36 19. These addenda extend the current memoranda of
37 understanding with these state bargaining units through
38 July 1, 2013. The estimated cost to implement the ad-
39 denda for State Bargaining Units 12 and 18 is included
40 in this item.

7. ~~Of the amount appropriated in this item, funding is hereby provided for purposes of implementing the salary adjustments for employees in 14 supervisory scientist classifications recommended by the Department of Personnel Administration in its decision dated April 28, 2008, pursuant to Section 19826 of the Government Code.~~

SEC. 66. Item 9800-001-0494 of Section 2.00 of the Budget Act of 2012 is amended to read:

9800-001-0494—For Augmentation for Employee Compensation, payable from other unallocated special funds.....	47,038,000
	40,187,000

Provisions:

1. The amount appropriated in this item shall not be construed to control or influence collective bargaining between the state employer and employee representatives.
2. The funds appropriated in this item are for compensation increases and increases in benefits related thereto of employees whose compensation, or portion thereof, is chargeable to special funds, to be allocated by executive order by the Director of Finance to the several state offices, departments, boards, bureaus, commissions, and other state agencies, in augmentation of their respective appropriations or allocations, in accordance with approved memoranda of understanding or, for employees excluded from collective bargaining, in accordance with salary and benefit schedules established by the Department of Human Resources.
3. Notwithstanding any other provision of law, upon approval of the Director of Finance, expenditure authority may be transferred between this item and Item 9800-001-0988 as necessary to fund costs for approved memoranda of understanding or, for employees excluded from collective bargaining, in accordance with salary and benefit schedules established by the Department of Human Resources.

- 1 4. It is the intent of the Legislature that all proposed
2 augmentations for increased employee compensation
3 costs, including, but not limited to, base salary increas-
4 es, pay increases to bring one group of employees into
5 a pay equity position with another group of public
6 employees, and recruitment and retention differentials,
7 be budgeted and considered on a comprehensive,
8 statewide basis. Therefore, the Legislature declares its
9 intent to reject any proposed augmentations that are
10 not included in Items 9800-001-0001, 9800-001-0494,
11 and 9800-001-0988, given that these are the items
12 where the funds to implement comprehensive state-
13 wide compensation policies, including those adopted
14 pursuant to collective bargaining, are considered. This
15 provision shall not apply to augmentations for in-
16 creased employee compensation costs resulting from
17 mandatory judicial orders to raise pay for any group
18 of employees or augmentations for increased compen-
19 sation costs, or approvals for departments to provide
20 increased employee compensation levels, that are in-
21 cluded in bills separate from the Budget Act.
- 22 5. This item contains funds estimated to be necessary to
23 implement side letters, appendices, or other addenda
24 to a memorandum of understanding (collectively re-
25 ferred to as “pending agreements”) that have been
26 determined by the Joint Legislative Budget Committee
27 to require legislative approval prior to their implemen-
28 tation, but which may not have been approved in sep-
29 arate legislation as of the date of the passage of this
30 act. In the event that the Legislature does not approve
31 separate legislation to authorize implementation of
32 any of the pending agreements, the Director of Finance
33 shall not allocate any funds related to those pending
34 agreements pursuant to Provision 2, and the expendi-
35 ture of funds for those pending agreements shall not
36 be deemed to have been approved by the Legislature.
- 37 6. As of July 31, 2013, the unencumbered balances of
38 the above appropriation shall no longer be available
39 for expenditure.

7. By inclusion of this provision, for purposes of Section 3517.63 of the Government Code, the Legislature hereby ratifies provisions that require the expenditure of funds of the addenda dated April 5, 2012, and April 6, 2012, with State Bargaining Units 12, 16, 18, and 19. These addenda extend the current memoranda of understanding with these state bargaining units through July 1, 2013. The estimated cost to implement the addenda for State Bargaining Units 12 and 18 is included in this item.

~~8. Of the amount appropriated in this item, funding is hereby provided for purposes of implementing the salary adjustments for employees in 14 supervisory scientist classifications recommended by the Department of Personnel Administration in its decision dated April 28, 2008, pursuant to Section 19826 of the Government Code.~~

SEC. 67. Item 9800-001-0988 of Section 2.00 of the Budget Act of 2012 is amended to read:

9800-001-0988—For Augmentation for Employee Compensation, payable from other unallocated nongovernmental cost funds.....	23,169,000
	19,793,000

Provisions:

1. The amount appropriated in this item shall not be construed to control or influence collective bargaining between the state employer and employee representatives.
2. The funds appropriated in this item are for employee compensation increases, and increases in benefits related thereto, whose compensation or portion thereof is chargeable to nongovernmental cost funds, to be allocated by Executive order by the Director of Finance to the several state offices, departments, boards, bureaus, commissions, and other state agencies, in augmentation of their respective appropriations or allocations, in accordance with approved memoranda of understanding or, for employees excluded from

collective bargaining, in accordance with salary and benefit schedules established by the Department of Human Resources.

3. Notwithstanding any other provision of law, upon approval of the Director of Finance, expenditure authority may be transferred between Item 9800-001-0494 and this item as necessary to fund costs for approved memoranda of understanding or, for employees excluded from collective bargaining, in accordance with salary and benefit schedules established by the Department of Human Resources.

4. It is the intent of the Legislature that all proposed augmentations for increased employee compensation costs, including, but not limited to, base salary increases, pay increases to bring one group of employees into a pay equity position with another group of public employees, and recruitment and retention differentials, be budgeted and considered on a comprehensive, statewide basis. Therefore, the Legislature declares its intent to reject any proposed augmentations that are not included in Items 9800-001-0001, 9800-001-0494, and 9800-001-0988, given that these are the items where the funds to implement comprehensive statewide compensation policies, including those adopted pursuant to collective bargaining, are considered. This provision shall not apply to augmentations for increased employee compensation costs resulting from mandatory judicial orders to raise pay for any group of employees or augmentations for increased compensation costs, or approvals for departments to provide increased employee compensation levels, that are included in bills separate from the Budget Act.

5. This item contains funds estimated to be necessary to implement side letters, appendices, or other addenda to a memorandum of understanding (collectively referred to as “pending agreements”) that have been determined by the Joint Legislative Budget Committee to require legislative approval prior to their implementation, but which may not have been approved in separate legislation as of the date of the passage of this

act. In the event that the Legislature does not approve separate legislation to authorize implementation of any of the pending agreements, the Director of Finance shall not allocate any funds related to those pending agreements pursuant to Provision 2, and the expenditure of funds for those pending agreements shall not be deemed to have been approved by the Legislature.

6. As of July 31, 2013, the unencumbered balances of the above appropriation shall no longer be available for expenditure.

7. By inclusion of this provision, for purposes of Section 3517.63 of the Government Code, the Legislature hereby ratifies provisions that require the expenditure of funds of the addenda dated April 5, 2012, and April 6, 2012, with State Bargaining Units 12, 16, 18, and 19. These addenda extend the current memoranda of understanding with these state bargaining units through July 1, 2013. The estimated cost to implement the addenda for State Bargaining Units 12 and 18 is included in this item.

~~8. Of the amount appropriated in this item, funding is hereby provided for purposes of implementing the salary adjustments for employees in 14 supervisory scientist classifications recommended by the Department of Personnel Administration in its decision dated April 28, 2008, pursuant to Section 19826 of the Government Code.~~

SEC. 68. Section 3.62 of the Budget Act of 2012 is amended to read:

SEC. 3.62. (a) If Section 36, ~~pertaining to public safety realignment~~, is not added to Article XIII of the California Constitution pursuant to voter approval at the November 6, 2012, statewide general election, or if Section 36 is added to Article XIII of the California Constitution but ~~does its provisions that temporarily modify personal income tax rates~~ do not become operative due to a conflict with another initiative measure that is approved at the same election and receives a greater number of affirmative votes than the measure that added Section 36, the

1 Director of Finance shall ~~reduce~~ *adjust* the following appropriations
2 in the manner and in the amounts specified:
3 (1) Reduce Schedule (4) 50-Law Enforcement of Item
4 0820-001-0001 of Section 2.00 by \$1,000,000.
5 (2) Reduce Schedule (2) 11-Fire Protection of Item
6 3540-001-0001 of Section 2.00 by \$10,000,000.
7 (3) Reduce Item 3600-001-0001 of Section 2.00 by \$8,500,000.
8 (4) Adjust Item 3600-001-0200 of Section 2.00 as follows:
9 (A) Reduce Schedule (1) 20-Biodiversity Conservation Program
10 by \$2,100,000.
11 (B) Reduce Schedule (2) 25-Hunting, Fishing, and Public Use
12 by \$400,000.
13 (C) Reduce Schedule (4) 40-Enforcement by \$1,000,000.
14 (D) Decrease the amount payable from the General Fund (Item
15 3600-001-0001) in Schedule (8.5) by \$8,500,000.
16 (E) Increase the amount payable from the Harbors and
17 Watercraft Revolving Fund (Item 3600-001-0516) in Schedule
18 (18.5) by \$5,000,000.
19 (5) Increase Item 3600-001-0516 by \$5,000,000.
20 (6) Reduce Schedule (2) 20-Boating Operations of Item
21 3680-101-0516 of Section 2.00 by \$5,000,000.
22 (7) Reduce Item 3790-001-0001 of Section 2.00 by \$1,500,000.
23 (8) Adjust Item 3790-001-0392 of Section 2.00 as follows:
24 (A) Reduce Schedule (1) For support of Department of Parks
25 and Recreation by \$1,500,000.
26 (B) Decrease the amount payable from the General Fund (Item
27 3790-001-0001) in Schedule (3.5) by \$1,500,000.
28 (9) Reduce Schedule (3) 30-Public Safety and Prevention of
29 Damage of Item 3860-001-0001 of Section 2.00 by \$6,600,000.
30 (10) Reduce Item 4300-101-0001 of Section 2.00 by
31 \$50,000,000.
32 *(11) Delete Item 5227-102-0001 of Section 2.00.*
33 ~~(11)~~
34 *(12)* Reduce Item 6440-001-0001 of Section 2.00 by
35 \$250,000,000.
36 ~~(12)~~
37 *(13)* Reduce Item 6610-001-0001 of Section 2.00 by
38 \$250,000,000.
39 (b) The Legislature finds and declares the following:

1 (1) The reduction to Schedule (4) of Item 0820-001-0001 of
2 Section 2.00 made pursuant to paragraph (1) of subdivision (a)
3 could eliminate General Fund support for law enforcement
4 activities of the Attorney General.

5 (2) The reductions to Item 3540-001-0001 of Section 2.00 made
6 pursuant to paragraph (2) of subdivision (a) could diminish the
7 effectiveness of emergency air response programs, result in the
8 closure of fire stations, and substantially decrease firefighting
9 capabilities.

10 (3) The reductions to Items 3600-001-0001 and Item
11 3600-001-0200 of Section 2.00 made pursuant to paragraphs (3)
12 and (4) of subdivision (a) will reduce support for the Biodiversity
13 Conservation Program, a program that encourages the preservation,
14 conservation, maintenance, and restoration of wildlife resources;
15 the Hunting, Fishing, and Public Use Program, a program that
16 facilitates diverse and sustainable hunting and fishing; and the
17 Enforcement Program, which could result in fewer wardens on
18 duty in the state.

19 (4) The adjustments to Item 3600-001-0200 of, and the increase
20 in Item 3600-001-0516 of, Section 2.00 made pursuant to
21 paragraphs (4) and (5) of subdivision (a) will provide funding for
22 boating-related law enforcement to partially replace the General
23 Fund reduction made pursuant to paragraph (3) of subdivision (a).

24 (5) The reduction to Item 3680-101-0516 of Section 2.00 made
25 pursuant to paragraph (6) of subdivision (a) could result in a
26 decrease to local assistance provided for boating-related law
27 enforcement.

28 (6) The reductions to Items 3790-001-0001 and 3790-001-0392
29 of Section 2.00 made pursuant to paragraphs (7) and (8) of
30 subdivision (a) could eliminate the provision of seasonal life guards
31 at state parks and reduce the number of park rangers on duty in
32 the state.

33 (7) The reduction to Schedule (3) of Item 3860-001-0001 of
34 Section 2.00 made pursuant to paragraph (9) of subdivision (a)
35 could decrease channel and levee maintenance and floodplain
36 mapping.

37 (8) The reduction to Item 4300-101-0001 of Section 2.00 made
38 pursuant to paragraph (10) of subdivision (a) could reduce services
39 to individuals with developmental disabilities.

(9) *The deletion of Item 5227-102-0001 of Section 2.00 made pursuant to paragraph (11) of subdivision (a) will eliminate \$20,000,000 for grants to cities to mitigate the impact of budget cuts on city police departments resulting from current economic conditions.*

(c) The Director of Finance shall apply the reductions specified in subdivision (a) only to the extent that the funds appropriated in each affected item have not been expended or encumbered. If the funds appropriated in any affected item have been encumbered, the director shall attempt to reduce or eliminate the encumbrance so that the reductions specified in subdivision (a) may be made to the fullest extent possible. If the amount reduced pursuant to subdivision (a) is a reduction in a scheduled amount, a corresponding reduction shall be made in the primary item of appropriation.

(d) The Department of Finance shall make the final determination of the budgetary and accounting transactions and treatments to ensure proper implementation of the obligations and reductions imposed by this section.

(e) Within 10 days following the date of any reduction made pursuant to this section, the Director of Finance shall notify the Joint Legislative Budget Committee of the reduction.

SEC. 69. *Section 3.90 of the Budget Act of 2012 is amended to read:*

SEC. 3.90. (a) Notwithstanding any other provision of law, each item of appropriation, with the exception of those items for the California State University, the University of California, Hastings College of the Law, the Legislature, the Legislative Counsel Bureau, *the Bureau of State Audits*, and the Judicial Branch, shall be reduced, as appropriate, to reflect reductions in employee compensation—~~achieved through collective bargaining agreements and reductions for nonrepresented employees (utilizing existing authority of the administration to adjust compensation for nonrepresented employees)~~ in the total amounts of \$401,716,000 from General Fund items and \$437,413,000 from items relating to other funds. *These reductions shall be achieved through any combination of the following: (1) memoranda of understanding reached pursuant to Section 3517.5 of the Government Code, (2) furloughs, and (3) other reductions for nonrepresented employees achieved with existing administration and statutory authority.*

1 The Director of Finance shall allocate the necessary reductions
2 to each item of appropriation (*Budget Act and non-Budget Act*) to
3 accomplish the employee compensation reductions required by
4 this section.

5 (b) *Notwithstanding any other provision of law, by inclusion of*
6 *this section the Legislature hereby ratifies the addenda reached*
7 *between June 7, 2012, and June 25, 2012 for the following state*
8 *bargaining units: State Bargaining Units 1, 3, 4, 5, 6, 8, 11, 12,*
9 *14, 15, 16, 17, 18, 19, 20, and 21.*

10 *These addenda reflect negotiated changes to existing provisions*
11 *of their current memoranda of understanding or extend the current*
12 *memoranda of understanding with these state bargaining units,*
13 *or both. The estimated savings associated with these addenda are*
14 *included in this section.*

15 (c) *Any other addenda with a state bargaining unit agreed to*
16 *by July 1, 2012, and submitted to the Joint Legislative Budget*
17 *Committee and ratified by August 31, 2012, shall also be deemed*
18 *effective July 1, 2012, for purposes of this section.*

19 (d) *Employees represented by bargaining units with ratified*
20 *addenda pursuant to subdivision (b) or (c) shall not be subject to*
21 *furloughs pursuant to subdivision (a) of this section or subdivision*
22 *(b) of Section 19849 of the Government Code.*

23 SEC. 70. *Section 12.32 of the Budget Act of 2012 is amended*
24 *to read:*

25 SEC. 12.32. (a) It is the intent of the Legislature that
26 appropriations that are subject to Section 8 of Article XVI of the
27 California Constitution be designated with the wording
28 “Proposition 98.” In the event these appropriations are not so
29 designated, they may be designated as such by the Department of
30 Finance, where that designation is consistent with legislative intent,
31 not less than 30 days after notification in writing of the proposed
32 designation to the chairpersons of the committees in each house
33 of the Legislature that consider appropriations and the Chairperson
34 of the Joint Legislative Budget Committee, or not less than a
35 shorter period after notification that the chairperson of the joint
36 committee, or his or her designee, determines.

37 (b) Pursuant to the Proposition 98 funding requirements
38 established in Chapter 2 (commencing with Section 41200) of Part
39 24 of Division 3 of Title 2 of the Education Code, the total
40 appropriations for Proposition 98 for the 2012–13 fiscal year are

1 ~~\$37,534,125,000~~ \$36,849,374,000 or ~~40.7~~ 40.0 percent of total
2 General Fund revenues, Education Protection Account revenues,
3 and transfers subject to the state appropriations limit. General Fund
4 and Education Protection Account revenues appropriated for school
5 districts are ~~\$33,933,831,000~~ \$33,355,298,000 or 36.8 percent of
6 total General Fund revenues, Education Protection Account
7 revenues, and transfers subject to the state appropriations limit.
8 General Fund and Education Protection Account revenues
9 appropriated for community college districts are ~~\$3,521,238,000~~
10 \$3,415,020,000 or ~~3.8~~ 3.7 percent of total General Fund revenues,
11 Education Protection Account revenues, and transfers subject to
12 the state appropriations limit. General Fund and Education
13 Protection Account revenues appropriated for other state agencies
14 that provide direct elementary and secondary level education, as
15 defined in Section 41302.5 of the Education Code, are \$79,056,000
16 or 0.1 percent of total General Fund revenues, Education Protection
17 Account revenues, and transfers subject to the state appropriations
18 limit.

19 (c) Notwithstanding any preexisting budgetary or accounting
20 requirements to the contrary, the Department of Finance shall make
21 the final determination of the proper budgeting and accounting of
22 the revenues received by and disbursements from the Education
23 Protection Account.

24 SEC. 71. Section 12.35 is added to the Budget Act of 2012, to
25 read:

26 SEC. 12.35. Notwithstanding any provision of law, the Student
27 Aid Commission shall not implement any change in policy or
28 practice that would have an annualized fiscal effect exceeding
29 \$5,000,000 to Item 7980-101-0001 unless the change is first
30 approved by the Director of Finance and written notification is
31 provided by the Director of Finance to the Chairperson of the
32 Joint Legislative Budget Committee, and the chairpersons of the
33 fiscal committees of each house of the Legislature, not less than
34 30 days prior to the effective date of the approval. Each notification
35 shall (a) explain the necessity and rationale for the proposed
36 change in policy or practice and (b) identify the fiscal effect of the
37 proposed change in the current fiscal year and subsequent fiscal
38 years. In adopting this section, it is the intent of the Legislature
39 not to affect the entitlement aspect of the Cal Grant program.

1 *SEC. 72. Section 12.42 of the Budget Act of 2012 is amended*
2 *to read:*

3 SEC. 12.42. (a) The amounts appropriated in the items set
4 forth in subdivision (b) are each hereby reduced by the percentage
5 determined by dividing ~~\$1,314,201,000~~ *\$1,319,724,000* by the
6 sum of the amounts appropriated in the items set forth in
7 subdivision (b).

8 (b) Subdivision (a) shall apply to Items 6110-103-0001,
9 6110-104-0001, 6110-105-0001, 6110-107-0001, 6110-108-0001,
10 6110-111-0001, 6110-113-0001, 6110-119-0001, 6110-122-0001,
11 6110-124-0001, 6110-137-0001, 6110-144-0001, 6110-150-0001,
12 6110-151-0001, 6110-156-0001, 6110-158-0001, 6110-166-0001,
13 6110-167-0001, 6110-181-0001, 6110-182-0001, 6110-188-0001,
14 6110-189-0001, 6110-190-0001, 6110-193-0001, 6110-195-0001,
15 6110-198-0001, 6110-204-0001, 6110-208-0001, 6110-209-0001,
16 6110-220-0001, 6110-227-0001, 6110-228-0001, 6110-232-0001,
17 6110-240-0001, 6110-242-0001, 6110-243-0001, 6110-244-0001,
18 6110-245-0001, 6110-246-0001, 6110-247-0001, 6110-248-0001,
19 6110-260-0001, 6110-265-0001, 6110-266-0001, 6110-267-0001,
20 6110-268-0001, 6360-101-0001, and Schedule (1) of Item
21 6110-211-0001 of Section 2.00 of this act.

22 ~~(e) The reductions pursuant to this section shall be allocated~~
23 ~~and appropriated prior to the allocation of Section 3.62 reductions.~~

24 *SEC. 73. Section 15.11 of the Budget Act of 2012 is amended*
25 *to read:*

26 SEC. 15.11. (a) Notwithstanding any other provision of law,
27 the Director of Finance may allocate or otherwise use an amount
28 of at least \$500,000,000 from moneys derived from the sale of
29 greenhouse gas emission allowances, which are deposited to the
30 credit of the Greenhouse Gas Reduction Fund, and make
31 commensurate reductions to General Fund expenditure authority.
32 These funds shall be available to support the regulatory purposes
33 of the California Global Warming Solutions Act of 2006 (Division
34 25.5 (commencing with Section 38500) of the Health and Safety
35 Code).

36 (b) Not fewer than 60 days prior to allocating any funds pursuant
37 to subdivision (a), the State Air Resources Board and the Director
38 of Finance shall submit a plan for the expenditure or use of the
39 funds to the chairpersons of the committees in each house of the
40 Legislature that consider appropriations and the Chairperson of

the Joint Legislative Budget Committee. This plan, in the judgment of the board and the director, shall provide for the expenditure of funds to assist in achieving the goal of reducing greenhouse gas emissions.

(c) The Director of Finance shall not allocate funds pursuant to subdivision (a) until he or she has determined that sufficient moneys have been deposited into the Greenhouse Gas Reduction Fund.

(d) Any agency, board, or department receiving funds pursuant to this section shall ~~demonstrate a strong administrative record to justify proposed expenditures~~ *prepare a record*, consistent with Chapter 8 (commencing with Section 16649.96) of Part 2.5 of the Government Code.

(e) For a period of not less than two years, no funds allocated pursuant to subdivision (a) shall be used for the purpose of developing a high-speed rail system.

SEC. 74. Section 35.50 of the Budget Act of 2012 is amended to read:

SEC. 35.50. (a) For purposes of paragraph (1) of subdivision (f) of Section 10, and subdivision (g) of Section 12, of Article IV of the California Constitution, “General Fund revenues” means the total resources available to the General Fund for a fiscal year before any transfer to the Budget Stabilization Account.

(b) For purposes of subdivision (g) of Section 12 of Article IV of the California Constitution, “all appropriations from the General Fund for that fiscal year” shall not include any transfer to the Budget Stabilization Account to retire Economic Recovery Bonds because that amount is reflected in the “amount of any General Fund moneys transferred to the Budget Stabilization Account.”

(c) For purposes of subdivision (g) of Section 12 of Article IV of the California Constitution, the estimate of General Fund revenues for the 2012–13 fiscal year pursuant to this act, as passed by the Legislature, is ~~\$94,403,500,000~~ *\$93,005,000,000*.

(d) For purposes of subdivision (b) of Section 20 of Article XVI of the California Constitution, General Fund revenues shall be defined as revenues and transfers before any transfer to the Budget Stabilization Account, excluding any proceeds from Economic Recovery Bonds, as estimated in the enacted State Budget.

1 (e) Except as provided in this subdivision, the net final payment
2 accrual methodology shall not be implemented with regard to
3 revenue for the 2012–13 and prior fiscal years.

4 The net final payment accrual methodology shall be implemented
5 with regard to any change in state law which is enacted during
6 2012.

7 *SEC. 75. Section 99.50 of the Budget Act of 2012 is amended*
8 *to read:*

INDEX FOR CONTROL SECTIONS

SEC. 99.50. The following is an index to the general sections of this act. These sections serve to define terms and identify restrictions concerning the appropriations contained in this act.

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1.80	Availability of Appropriations
2.00	Items of Appropriation
3.00	Defines Purposes of Appropriations
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11.00	EDP/Information Technology Reporting Requirements
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1	11.11	Privacy of Information in Pay Stubs
2	12.00	State Appropriations Limit (SAL)
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12	15.11	Allocation of Cap and Trade Fee Revenue
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30	30.00	Continuous Appropriations
31	31.00	Budget Act Administrative Procedures for Salaries and Wages
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34	33.00	Item Veto Severability
35	34.00	Constitutional Severability
36	35.50	Estimated General Fund Revenue pursuant to Assembly Constitutional Amendment 5 of the 2003–04 Fifth Extraordinary Session
37		
38	35.60	BSA Transfer to the General Fund
39	38.00	Provides that this Bill is a Budget Bill
40	39.00	Identification of Bills Related to the Budget Bill

1 99.00 Alphabetical Organization Index
2 99.50 Numerical Control Section Index

3

4 *SEC. 76. Sections 1 to 75, inclusive, of this act shall become*
5 *operative only if Assembly Bill 1464 or Senate Bill 1004 of the*
6 *2011–12 Regular Session is enacted as the Budget Act of 2012.*

7 *SEC. 77. This act is a Budget Bill within the meaning of*
8 *subdivision (e) of Section 12 of Article IV of the California*
9 *Constitution and shall take effect immediately.*

10 ~~SECTION 1. It is the intent of the Legislature to enact statutory~~
11 ~~changes relating to the Budget Act of 2012.~~

O